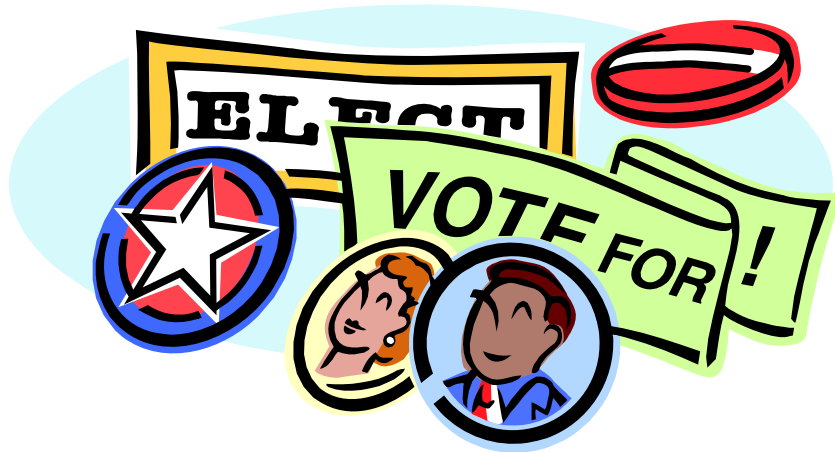




Washington State
Public Disclosure Commission

State Executive And Legislative Candidates



2012 Campaign Disclosure Instructions

"The public's right to know of the financing of political campaigns and lobbying and the financial affairs of elected officials and candidates far outweighs any right that these matters remain secret and private."

RCW 42.17.010 (10)

January 2011

What's New for 2012 Candidates?

A state elected official who is also a candidate may not appear in a public service announcement that is broadcast, shown, or distributed in any form whatsoever during the election year beginning January 1 and continuing through the general election.

Candidate Registration (C-1) may be electronically filed. These forms can be e-filed using the PDC's ORCA software or through the filer quick link at www.pdc.wa.gov.

PDC forms are no longer filed with your county's elections officer. Reports are filed with the Public Disclosure Commission and nowhere else.

The mini reporting thresholds were raised in 2008. A candidate who selects the mini reporting option when registering can raise and spend up to \$5,000 and not file contribution or expenditure reports so long as no one, other than the candidate, contributes more than \$500 in the aggregate.

New restrictions for investment advisers who contribute to an elected official or candidate for office who is or will be in a position to influence the award of advisory business. The U. S. Securities & Exchange Commission prohibits an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives or employees make a contribution to a public official of a government entity or candidate for such office who is or will be in a position to influence the award of advisory business. An advisor or any of its covered associates is also prohibited from soliciting or coordinating 1) contributions to an official of a government entity to which the investment adviser is seeking to provide investment advisory services, or 2) payments to a state or local political party committee where the investment adviser is providing or seeking to provide investment services to a government entity.

THE PUBLIC DISCLOSURE LAW

Adopted as Initiative 276 in 1972

Codified as Chapter 42.17

Revised Code of Washington

The Public Disclosure Commission, five citizens and a small full time staff, administers the law and the rules implementing it.

Instructions in this booklet are provided to assist in the preparation of campaign disclosure reports required by chapter 42.17 RCW. Care has been taken to make these instructions accurate yet concise. However, these instructions cannot be substituted for the applicable provisions of chapter 42.17 RCW and 390 WAC. The law and rules are controlling in the event of any conflict with or omission in the instructions. Copies of the law and rules are available on request.

There are separate instruction books for Local and Judicial Candidates (full reporting), Political Committee (full reporting), and candidates and committees using Mini Reporting.

PDC also has computer software available free of charge to assist with electronic filing of campaign reports. Call the number shown below or visit the PDC website at www.pdc.wa.gov for details.

All reports on file with the Commission are public records. Copies are available at cost:

Paper copies of scanned records: 10 cents per page

Diskette: \$.25 each

CD ROM: \$ 2 each

A significant amount of information filed with the Commission by candidates, political committees and lobbyists is available on the Internet. **PDC's Web address is: <http://www.pdc.wa.gov>**

We welcome your suggestions for revision of these instructions. Direct them to:

Public Disclosure Commission
711 Capitol Way Room 206
PO Box 40908
Olympia, WA 98504-0908

Telephone: (360) 753-1111

Toll Free 1-877-601-2828

FAX: (360) 753-1112 (DO NOT send reports by fax)

E-mail: pdc@pdc.wa.gov (DO NOT send reports by e-mail)

REPORTING SUMMARY -- 2012

What To Do

When To Do It

- | | | |
|--|--|---|
| 1. <u>Get PDC instructions and forms.</u> | When candidate decides to run for office. | |
| 2. <u>File Personal Financial Affairs Statement (F-1 form).</u>
(Incumbents who filed report by April 15 need not file again.) | Within 2 weeks of becoming a candidate.
(You become a candidate when you raise or spend money, reserve space or buy advertising, authorize someone else to take one of these actions for you, or you make a public announcement or file your Declaration of Candidacy, <u>whichever occurs first.</u>) | |
| 3. <u>Register committee on C-1 form.</u>
Appoint a treasurer. Open a bank account. (File a C-4 report if your campaign has already received or spent money.) | Within 2 weeks of becoming a candidate. | |
| 4. <u>Deposit money and fill out C-3 form.</u> File it with the PDC. ¹ | Make deposits within 5 business days of receipt.
From June 1 in the election year through general election, file C-3 reports weekly on Mondays. At other times, file C-3 along with C-4. | |
| 5. <u>File monthly contribution and expenditure C-4 reports</u> (if contributions or expenditures exceeded \$200 since last C-4 report filed). | On the 10th of month to cover preceding month (or period since last C-4 was filed). Not required in months when one of the special C-4 reports listed below is filed. | |
| 6. <u>File Primary Election C-4 Reports.</u> Report all campaign contributions and expenditures. | <ul style="list-style-type: none"> - July 31, 2012 - Aug 14, 2012 - Sept 10, 2012 | <ul style="list-style-type: none"> (21 days before primary election) (7 days before primary election) (10th of the first month following the election) |
| 7. <u>File General Election C-4 Reports.</u> Report all campaign contributions and expenditures. | <ul style="list-style-type: none"> - Oct 16, 2012 - Oct 30, 2012 - Dec 10, 2012 - Jan 10, 2013 | <ul style="list-style-type: none"> (21 days before general election) (7 days before general election) (10th of the first month following the election) (10th of the first month following the end of the election cycle)² |

If you are reporting for a special election held on a date other than the primary or general election, ask PDC for the Reporting Dates for Special Elections.

¹ There is no longer a county filing requirement. All City of Seattle office candidates file reports with the City of Seattle Ethics & Elections as well as the Public Disclosure Commission.

² If all bills are paid and surplus funds disposed of, this post general election C-4 report is your final report. If unpaid bills, loans or surplus funds remain, you must continue to file monthly C-4's.

Summary of Campaign Disclosure Reports

PDC Form	What it Contains	When it's Due*
F-1 Financial Affairs Statement	Sources of income, real estate transactions, bank accounts, stocks, debts owed, business holdings and business customers.	Within 2 weeks of becoming a candidate. (Incumbents who have a current report on file with PDC do not need to file another F-1 statement.)
C-1 Candidate Registration	Office sought, reporting option, committee officers, treasurer's name, time and place for public inspection of records.	Within 2 weeks of becoming a candidate. (For PDC purposes, someone may become a candidate well before a formal declaration is filed with elections officials. See instruction book.)
C-3 Cash Receipts, Monetary Contributions	Names of contributors, amounts, addresses, occupation, employer.	Bank deposits must be made at least weekly. Complete a C-3 for each deposit and file the C-3 reports as follows: For primary and general elections --Between June and general election day, file weekly on Mondays. For special elections --During last 4 months before election, file weekly on Mondays. Other Periods --File with C-4 reports.
Schedule L (Part 1)	Name and address of contributor (lender), amount of loan, interest rate, repayment schedule.	
Attachment Au	Names and addresses of contributors donating and purchasing auction items.	
C-4 Receipts and Expenditure Summary	Total contributions and expenditures for campaign.	-Same day as C-1 if contributions were received or expenditures made before registering; -10th of each month to cover preceding calendar month (or period since last C-4) if over \$200 in contributions or expenditures; -21 days before primary and general elections; -7 days before primary and general; and -10th of first month after election.
Schedule A	Itemized expenses, contribution totals for period.	
Schedule B	In-kind contributions, pledges, orders placed.	
Schedule C	Corrections, adjustments.	
Schedule L (Parts 2-4)	Details regarding loan payments and loans forgiven and outstanding.	

Other Reports

- C-5** This form is used by Out-of-State PACs, including committees that are registered with the Federal Elections Commission, to report contributions of over \$50 they make to in-state candidates and political committees. This report must be filed by the out-of-state committee no later than the 10th day of the month following any month in which a contribution or other expenditure is made.
- C-6** This form is used by persons making:
- campaign expenditures of \$100 or more that are not made to, or in conjunction with, a candidate or political committee;
 - independent expenditures for advertising of \$1,000 or more presented to the public within 21 days of an election; and
 - expenditures for an advertisement that clearly identifies at least one candidate for state, local, or judicial office; appears within 60 days of an election in the candidate's jurisdiction; is distributed through radio, television, postal mailing, billboard, newspaper or periodical; and, either alone, or in combination with other communications by the sponsor identifying the same candidate has a fair market value of \$5,000 or more.

*** File Campaign Disclosure Reports ("C" series forms C-3 and C-4) with PDC; there is no county filing requirement. Reports are considered filed as of postmark date or, if filed electronically, on the file transfer date.**

2012 Key Reporting Dates for Candidates

DATE	ACTIVITY	C-4 REPORT PERIOD
Within two weeks of becoming a candidate	File a C-1 (non-incumbents also file an F-1)	
Jan 11	File monthly C-4 & C-3, if necessary	close of last report thru Dec 31
Feb 10	" "	close of last report thru Jan 31
Mar 10	" "	close of last report thru Feb 28
Apr 12	" "	close of last report thru Mar 31
May 10	" "	close of last report thru Apr 30
June 1	Begin filing C-3 reports weekly, each Monday, for deposits made during previous 7 days (Monday thru Sunday)	
May 14 - 18	Declaration of candidacy filing week	
June 11	File monthly C-4, if necessary	close of last report thru May 31
June 27	Final day to change from mini to full reporting without special circumstances ³	
July 17	21 day pre-primary C-4 due ⁴	June 1 thru July 16
July 30 - Aug 6	Campaign books open for public inspection	
July 31	7 day pre-primary C-4 due	July 17 thru July 30
July 31 - Aug 6	Special reports due if candidate receives contributions of \$1,000 or more from one source. ⁵	
Aug 7	PRIMARY ELECTION DAY	
Sept 10	Post-primary C-4 due	July 31 thru Aug 31
Sept 25	Final day to change from mini to full reporting without special circumstances ¹	
Oct 16	21 day pre-general C-4 due	Sep 1 thru Oct 15
Oct 16 – Nov 5	Special reports due if candidate receives contributions of \$1,000 or more in the aggregate from one source. Unless the contribution is from the <u>state committee</u> of a major political party or a minor party, a candidate may not now receive from one source contributions totaling over \$5,000 in the aggregate. ³	
Oct 29 – Nov 5	Campaign books open for public inspection	
Oct 30	7 day pre-general C-4 due	Oct 16 thru Oct 29
Nov 6	GENERAL ELECTION DAY	
Dec 10	Post-general C-4 due (and C-3, if necessary)	Oct 30 thru Nov 30
Jan 10 (2013)	End of election cycle C-4 due (and C-3, if necessary)	Dec 1 – Dec 31

³ See WAC 390-16-125.

⁴ Only required of candidates whose names will appear on the primary election ballot or who are running as write-in candidates in the primary election. Candidates who are only in the general election file monthly reports for June, July, and August – these reports are due on the 10th of the following month.

⁵ Does not constitute authority to exceed any applicable local or state contribution limit.

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Part 1. General Information

Introduction

One of the primary purposes of the Public Disclosure Law is to provide citizens of this state -- and especially voters -- with the means for becoming informed about the financing of political campaigns. The law requires that records be kept and reports be filed of all contributions and expenditures. Detailed reporting of small contributions and expenditures is not mandated.

All candidates and committees subject to the Public Disclosure Law must do some reporting to the Public Disclosure Commission (PDC), regardless of the amount of money they will receive from contributors or spend on their campaigns.

Treasurers for most campaigns using full reporting will have to devote many hours to keeping exact records and filing accurate, detailed reports of receipts and expenditures. This instruction manual is designed for candidates seeking state executive or legislative positions who have selected the full reporting option and their treasurers.

The key to complying with both the regulatory and the reporting provisions of the law is to keep detailed records of each contribution and expenditure and file reports on time. **All records acquired with respect to the campaign must be kept for five years from the date of the election.**

Reports are considered filed as of the postmark date or, if filed electronically, on the file transfer date. The original of each campaign disclosure report completed is filed with PDC.

All paper reports, schedules and attachments should be typewritten or printed in black ink. Use 8 1/2" x 11" white paper for attachments or enclosures. Reports filed with PDC are scanned into a document imaging system for viewing on computer monitors. (The paper reports are then sent to the State Records Center for storage.) If a filer submits over-sized paper this significantly slows down the process of entering reports into PDC's record keeping system.

Computerized Record Keeping and Reporting

Persons who must file campaign disclosure reports may obtain copies of the blank forms they will need from PDC or their county auditor's office (in King County, contact the Records, Elections and Licensing Services Division). Or, computer software is available free-of-charge. The Public Disclosure Commission software will create all of the candidate and political committee reports necessary to comply with state law. Each report is automatically produced and can be electronically filed over the Internet and/or printed for hard copy filing.

Minimum System Requirements:

Windows – Windows 2000; 256 MB RAM, 1 Ghz Processor; 500 MB free disk space; an Internet connection; and Java Runtime Environment (JRE) 1.5.

Apple/MAC – MAC OS X Version 10.4 Tiger and Java Runtime Environment (JRE) 1.5.

The computerized filing system must be used at the startup of the campaign, or contributor and expenditure data from the beginning of the campaign must be input into the system. See page 66 for download and installation instructions or visit the PDC's website, www.pdc.wa.gov.

Mandatory Electronic Filing

All candidates who expect to spend \$10,000 on the current campaign or met the \$10,000 expenditure threshold in the last campaign for the same office are required to submit campaign finance reports electronically.

The PDC has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The application is NOT campaign management software; it is designed specifically to meet the reporting requirements under RCW 42.17.

If you are using a different type of campaign finance software, the PDC can send you a vendor kit; a software development package that with some additional advanced programming, may enable your campaign to file electronically using your current software.

The Commission may make exceptions on a case-by-case basis for candidates whose authorized committees lack the technological ability to file reports electronically. A candidate seeking an exception under RCW 42.17.3691 shall file with the PDC a written statement of reasons why the authorized committee lacks the ability to file reports electronically.

Requests for Reporting Modifications

The Public Disclosure Commission may suspend or modify the reporting requirements of persons subject to the disclosure law if it decides that the law works a "manifestly unreasonable hardship" on the filer and the modification "will not frustrate the purposes" of the law. If a candidate believes his or her circumstances meet these two statutory tests and is able to provide convincing arguments to that effect, the candidate has the option of requesting the Commission to grant a reporting modification.

The most common type of reporting modification requests that the Commission receives involves the Personal Financial Affairs Statement. These requests typically come from people who own a business and who would face a competitive disadvantage by disclosing the names of business customers. The Commission has developed an application form that must be completed by any one who wishes to request modification from reporting any of his or her personal financial affairs. Access the form at <http://www.pdc.wa.gov/filers/appointed/forms.aspx> or call the commission staff to request a blank form. The application should be submitted to the Commission along with the Personal Financial Affairs Statement that has been completed, except for the section covered by the reporting modification request.

A hearing will be scheduled to consider the request. It's best if the candidate attends the hearing, but his or her presence is not required. A modification may only be granted for one year or the duration of one campaign.

Reporting Options

All candidates who are not exempt from reporting must select a reporting option. That choice will be guided by the amount of money a candidate intends to raise and spend on his or her campaign.

Regardless of which option outlined below is chosen, all candidates and political committees must keep accurate, detailed records and make these records available for public inspection during the eight days preceding the primary, general or special election in which they're participating.

Mini Reporting: This reporting option is only available to candidates who will raise and spend no more than \$5,000, in addition to the amount spent on their filing fee, and who will receive no more than \$500 from any one contributor other than themselves. Filing fees paid for by political party committees are also exempt from the \$500 contribution limit threshold. Candidates choosing mini reporting must file registration statements (the C-1 form) and keep records of their contributions and expenditures. However, they do not need to file contribution and expenditure reports. A Personal Financial Affairs Statement (F-1) is required. See Mini Reporting Instructions.

Full Reporting: All candidates raising and spending over \$5,000 on their campaigns or who wish to

receive more than \$500 from any contributor, other than the candidate's own funds, must use the full reporting method. Full reporting filers will submit frequent, detailed reports of the contributions they receive (C-3 reports) and the expenditures they make (C-4 reports with various schedules). The C-4 itself is used to summarize the campaign's financial activity. A Personal Financial Affairs Statement (F-1) is also required.

Changing Reporting Options

From mini reporting to full reporting. The Public Disclosure Commission realizes that candidates are not always able to accurately forecast campaign costs and may need to switch to a different reporting option. Changing from mini to full reporting requires the PDC staff's approval. So long as a completed application for changing options is received at least 30 business days before the election, the application will be approved.

In order to change from one reporting option to another, a candidate must notify all opponents in writing of the change (certified mail is suggested) and send the following documents to the PDC's executive director:

- a statement that verifies you have notified each opposing candidate or committee in writing of your plan to change reporting options;
- an amended registration statement (PDC form C-1) indicating the new reporting option; and
- PDC forms C-3 and C-4 with relevant schedules and attachments disclosing all contributions and expenditures from the start of the campaign to the current date.

If a candidate or political committee wishes to change from mini to full reporting and the completed application for changing options is received at the Public Disclosure Commission's office at least 30 business days prior to the election, the application will be approved by the executive director. Approval to change reporting options received on or after 29 business days prior to the election will **only be approved** under the following circumstances:

- The candidate had filed a registration and commission staff failed to notify candidates of the ability to change options at least 40 business days prior to the election;
- A write-in opponent has filed for office within 30 business days of the election;
- An independent expenditure is made in support of the applicant's opponent or in opposition to the applicant within 30 business days of the election;
- A candidate's opponent has been approved to change reporting options; or
- A political committee on one side of an election campaign or proposition has opposition who received approval to change reporting options.

From full reporting to mini reporting. If a candidate wishes to change from full to mini reporting, no prior PDC approval is necessary. Simply amend the candidate registration statement (PDC form C-1) indicating the new option.

Bank Accounts

At the start of the campaign, the candidate or treasurer needs to open the bank account. Use the same name for your campaign account as you use for the candidate's committee.


Campaign accounts may be established in a bank, mutual savings bank, savings and loan association or credit union doing business in Washington State. Candidates seeking offices with single-county jurisdiction may only maintain one campaign checking account. Although candidates conducting campaigns in more than one county may establish a bank account in each county, it's not recommended that you do this because of the problems inherent in tracking and combining the activity of multiple accounts for the purpose of filing the campaign's disclosure reports.

**Obtain a tax ID #
from the IRS
before opening the
campaign bank**

When opening the account, you'll be asked to supply a **federal tax identification number**. The Internal Revenue Service issues tax ID numbers; application are accepted online, by phone, by fax, or by mail.

According to information found at www.irs.wa.gov, tax ID numbers are issued immediately to those who apply online or by phone while applications received by fax or U.S. mail take up to four weeks to process.

 Apply online at <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>;

 Call 1-800-829-4933 to apply by telephone;

 Fax a completed IRS SS-4¹ form to (859) 669-5760 or

 Mail the completed SS-4¹ form to IRS, Attn: EIN Operation, Cincinnati, OH 45999.

The bank will report any interest earned on the campaign account to the IRS using the tax number you provide. Consult the IRS, your accountant or tax advisor regarding any tax liability or requirement to file a tax return. PDC may not give tax-related advice or information. However, see page 59 for information about investing campaign funds.

Bank Deposits

Each monetary contribution received by the campaign must be deposited within five business days of receipt. That means your campaign can make a weekly deposit and be in compliance with the law. A high volume of contributions may make more frequent deposits advisable, however. (If no funds are received during a week, no deposits are necessary.)

Deposit each contribution within five (5) business days of receipt.

Each time you make a bank deposit, prepare a Cash Receipts Monetary Contributions Report (C-3). Through May of the election year, file your C-3 reports each time a C-4 report is filed. Beginning in June of the election year, file C-3 reports weekly on Mondays. Once this weekly filing of C-3 reports starts, do NOT also send copies of the C-3 reports with your C-4 reports.

Public Inspection of Campaign Records

During the eight days preceding a primary, general or special election, the campaign's books of account showing all contributions received, expenditures made and outstanding debts must be current within one business day. Further, they must be open for public inspection by anyone who wants to see them. These books must be available for inspection on weekdays beginning on the eighth day before the election (excluding legal holidays) **by appointment** between 8 a.m. and 8 p.m. at the location designated by the campaign on the registration statement (C-1). Be sure to respond within 24 hours to a request for an appointment.

If a candidate finances his or her entire campaign and does not accept contributions from anyone else, he or she may use his or her personal checking account for campaign activity. However, the candidate who uses a personal checking account for campaign activity has to make the check register and other records of the personal account available for public inspection.

The separate list of contributors giving \$25 or less does not need to be included with the records open for public inspection.

However, all other "books of account" of the campaign must be current within one business day and be made available for public inspection. The campaign books include its checkbook register and any ledgers, journals or lists identifying contributors (and the date and amount each has given) as well as books showing any outstanding debts (including loans and orders placed but not yet paid). If these types of books are not kept, the campaign is expected to make available the documents that are customarily used to create these books of account; that is, the receipts, invoices, copies of contribution checks, notes or documents regarding orders placed or loans, etc.

If the campaign books are kept on computer, any person wanting to see the books must be given sufficient instruction to enable him or her to examine these books. The campaign is not required to make copies of its books, whether the books are kept on paper or in electronic form.

¹ Call 1-800-829-3676 to request IRS form SS-4.

PDC Inquiries and Audits

PDC staff may contact your campaign advising you that a report is missing or incomplete, asking for clarification of a report or requesting additional information. Please cooperate with these informal contacts and supply the requested information promptly.

Random audits of some campaigns may occur after each election. Some of these are in-depth and you will be asked to make available all your records, including receipts and other documentation. These audits are routine and we suggest you approach them matter of factly.

Audits also are conducted for cause because a complaint has been received or there is reason to believe disclosure reports are not accurate. If you are the subject of such an audit, be assured you will have every opportunity to explain your position.

Prohibitions and Restrictions

The public disclosure law includes a number of restrictions on a candidate's campaign activity.

Public Service Announcements

A state-elected official or municipal officer may not speak or appear in a public service announcement that is broadcast, shown, or distributed in any form whatsoever during the period beginning January 1st and continuing through the general election if the office holder is a candidate. If the office holder does not control the broadcast, showing, or distribution of a public service announcement in which he or she speaks or appears, then the officer holder must contractually limit the use of the public service announcement so as to comply with this restriction. Public service announcements that are part of the regular duties of the office that only mention or visually display the office, office seal, or logo and do not mention or visually display the name of the officer holder or a picture of the officer holder are permitted to air during the election year.

Concealment [RCW 42.17.120]

All campaigns must accurately record and report the actual sources and amounts of contributions received as well as the true recipients and amounts of expenditures. It is a serious violation of the law to use a fictitious name, no name or substitute name in order to conceal the truth.

Persons Prohibited from Making Contributions [RCW 42.17.640(11)]

The following entities may NOT give to candidates for state office, to a state official against whom recall charges have been filed or to a political committee expecting to make expenditures supporting the recall of the official:

- a corporation or business entity not doing business in Washington State*;
- a labor union with fewer than ten members who reside in Washington State; and
- a political committee that has not received, during the preceding 180 days, contributions of \$10 or more from at least ten Washington State registered voters.

[*By administrative rule, a corporation or business is "doing business in Washington state" if it conducts continuous or substantial activities in this state so that it acquires a legal obligation. For example: registering as a foreign corporation in Washington, operating one or more business locations in Washington, hiring employees to work in this state or purchasing supplies or services from other Washington businesses.]

Federal election law prohibits all candidates and political committees in this country from receiving contributions from foreign nationals (individuals with foreign citizenship, foreign corporations, other foreign business entities, etc.). However, immigrants having "green cards" may contribute to elections in the

United States. (For more information, contact the Federal Election Commission at 1-800-424-9530).

Federally chartered banks, corporations, unions, insurance companies and federal government contractors should consult their legal advisors to determine whether other state or federal statutes prohibit their making contributions.

According to Washington law, "No insurer or fraternal benefit society doing business in this state shall directly or indirectly pay or use, or offer, consent, or agree to pay or use any money or thing of value for or in aid of any candidate for the office of insurance commissioner; nor for reimbursement or indemnification of any person for money or property so used." (emphasis added) [RCW 48.30.110]

Beginning September 13, 2010, the U. S. Securities & Exchange Commission prohibits an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives or employees make a contribution to a public official of a government entity or candidate for such office who is or will be in a position to influence the award of advisory business. An adviser or any of its covered associates is also prohibited from soliciting or coordinating 1) contributions to an official of a government entity to which the investment adviser is seeking to provide investment advisory services, or 2) payments to a state or local political party committee where the investment adviser is providing or seeking to provide investment services to a government entity. 17 CFR Part 275.

Primary and General Contributions [RCW 42.17.640]

Donors giving to legislative and state executive office candidates may make primary election contributions up to 30 days after the date of the primary if the state office candidate loses in the primary and the candidate's authorized committee has insufficient funds to pay primary debts outstanding as of the date of the primary. *Therefore, be aware that if you lose in the primary, you will only have an additional 30 days to solicit contributions to satisfy primary debt. Contributions received in excess of the sum needed to satisfy outstanding primary debts must be returned to the original contributors.*

No general election contribution is permitted after December 31 of the election year from any contributor – except the candidate using personal funds for his or her own campaign.

Spending General Election Contributions [RCW 42.17.640]

It is a violation to spend any general election contribution for the primary election campaign if to do so would cause the contributor of those general election funds to exceed that contributor's contribution limit for the primary election. For example, if a contributor (other than the candidate him or herself, a bona fide political party or caucus political committee) gives a legislative candidate \$800 for the primary and \$200 for the general election, that \$200 may not be spent until the candidate wins the primary and moves on to the general election. In other words, a legislative candidate may not spend more than \$800 of a contributor's donations on the primary election, unless the funds came from the candidate or from a bona fide political party or caucus political committee.

Legislative Session Freeze [RCW 42.17.710]

No legislators, other state officials or their employees or agents may solicit or accept contributions for any state or local office candidate, to defray public office related expenses, or to retire a campaign debt during what is known as the "legislative session freeze period." The freeze period is in effect during the regular legislative session, the 30 days before the regular session and during any special session of the legislature. This prohibition also means that **no pledges or payments of earlier pledges may be requested or received during the session freeze period.** Non-incumbent, newly elected state officers are not subject to the legislative session freeze period until they are sworn in to office.

"Last Minute" Contributions [RCW 42.17.105(8)]

During the 21 days before the general election, no candidate for statewide office, including State Supreme Court, may accept aggregate contributions of more than \$50,000 from any contributor eligible to give that much. Similarly, candidates for other offices may not accept contributions totaling more than \$5,000 from

any eligible contributor during this three-week period. These limitations do not apply to contributions accepted from the state committee of a major political party or from a minor party.

Since most contributors are prohibited by the I-134 contribution limits from giving anywhere near \$5,000 or \$50,000 to a candidate, this 21-day restriction (which pre-dates passage of I-134) actually pertains only to contributions from a candidate giving to his or her own campaign, from caucus political committees, and from party county central and legislative district committees.

The statutory language imposing the \$5,000/\$50,000 contribution limit has been interpreted by PDC to mean:

- A campaign loan received during the 21 days prior to the general is subject to the limit, as are any loan co-signers or guarantors (and by law each guarantor is considered as giving the full amount of the loan);
- A pledge in excess of the amounts allowed by the limit may NOT be made by a contributor or received or redeemed by a candidate during the 21 days prior to the general;
- A candidate or committee that receives a contribution in excess of the allowed amount may retain the maximum permitted by law so long as the excess amount is immediately returned to the contributor;
- The contribution limit applies to all forms of contributions, including monetary, in-kind, loans, pledges, etc., and any combination of them;
- Earmarked contributions given to an intermediary during the 21 days before the general for the benefit of a candidate or other committee may not exceed the applicable limit for the candidate or committee and must be combined with contributions from the same contributor given directly to the candidate or committee; and
- This 21 day pre-general election period begins at 12:01 a.m. PST on the third Tuesday before the general election held in November and ends at 11:59 p.m. PST on the Monday before the election.

Contributing to Others [RCW 42.17.095(8)]

No candidate or candidate's authorized committee is allowed to transfer campaign funds (or items or services purchased with campaign funds) to any other candidate or political committee, unless a candidate is legally transferring surplus funds to a bona fide political party or a caucus political committee.

However, one candidate may reimburse another candidate or committee for his or her share of a documented and properly reported joint fund raising campaign expense. A candidate's campaign may also buy campaign-related goods and services from another candidate or political committee so long as the campaign pays the fair market value.

Personal Use of Contributions [RCW 42.17.125]

Any expenditure of a candidate's campaign funds that is not directly related to the candidate's election campaign is a prohibited personal use of campaign funds. This means that campaign contributions may not be used to defray non-reimbursed public office related expenses, charitable donations, club memberships, newspaper subscriptions, constituent gifts and entertainment as well as other miscellaneous expenses that are not directly related to a candidate's campaign. (Public officials may establish a "Surplus Funds Account" to pay for non-reimbursed public office related expenses. See Surplus Funds Accounts on page 59.)

According to statute, campaign contributions may only be spent for the personal use of the candidate, the treasurer or other person associated with the campaign under the following circumstances:

- reimbursements to cover earnings lost as a result of campaigning, including reimbursements for loans taken out to cover lost earnings;

- reimbursements for services performed for the campaign;
- reimbursements for direct out-of-pocket campaign or post-election campaign expenses; and
- repayment of loans made by a person to the campaign. Repayment of loans made by the candidate to his or her campaign is subject to limit. See Candidate Loan Repayments on page 10.

Complete documentation of these types of payments must be submitted with the C-4 report showing the payment to the individual. Documentation of lost-earnings payments would include copies of pay stubs reflecting what the person would have been paid had he or she been working at his or her regular job.

Documentation of out-of-pocket expenses is either a detailed list of the date, vendor, purpose and amount of each expense, with actual receipts kept by the committee, or submission of copies of the receipts. No reimbursement of out-of-pocket expenses may be made to a person without a receipt being provided to the campaign.

When loans are received by the campaign, the treasurer must fill out Part 1 of Schedule L and submit this Schedule L with the C-3 report that shows the loan being deposited into the campaign account. When repayments of loans are made, that information is reported in Part 2 of the Schedule L. This Schedule L reporting, in addition to showing the expense on Schedule A, will suffice for reporting purposes (unless PDC requests more information).

Transmitting Contributions (Bundling) [RCW 42.17.730]

Only an individual is permitted to collect contributions from others and transmit them to the intended recipient. Political committees, businesses, unions, and organizations (or people representing them) are prohibited from collecting contributions from various sources (commonly known as bundling) and delivering or transmitting those bundled contributions to a candidate or political committee.

With respect to the legal bundling undertaken by individuals, unless collected contributions are from the individual's employer, immediate family or an association to which the individual belongs, when delivering the contributions to the campaign, the individual must supply the following information to that campaign:

the individual's full name, street address, occupation, name of employer or, if self-employed, place of business and the same information for each person or entity for which a contribution is being transmitted.

Reimbursement for Contributions [RCW 42.17.780]

No one may directly or indirectly reimburse another person or entity for a contribution to a candidate, political committee or political party.

Using Contributions for Different Office [RCW 42.17.790]

A candidate who solicits contributions for one office may not use those contributions to seek a different office without first obtaining written approval of the persons or entities who donated the contributions. This is true whether a candidate registers for one office and then decides before the election to seek a different office, or whether the candidate wants to use funds left over after an election to seek a different office in a subsequent election. Even though written permission must be obtained in both circumstances, how the contributions being transferred to the new campaign are treated does vary.

Switching Offices Before the Election. If, for example, a candidate decides to run for the state senate after first registering and collecting money for a state house race, the candidate may not transfer contributions received for the house race to the senate campaign without first getting written approval from the contributors of the money remaining in the house campaign account as well as from donors of any remaining in-kind contributions (e.g., computers, copiers, etc.).

To identify the donors of the remaining funds, start with your most recent contribution, then the next most recent, etc., until you can attach names to all of the contributions remaining in the campaign you are ending. Contact all of these contributors. With their written approval, you may move their funds from the

first campaign account to the new account. If someone does not send written approval, that contributor's donation may NOT be used for the new campaign and must be disposed of under one of the other permissible uses of surplus campaign funds, as discussed below.

Each contribution that is transferred from the first campaign to the new campaign is attributed to the contributor and counts against that contributor's limit for the office now being sought.

Left-Over Contributions. A candidate who wants to use surplus funds from a previous campaign to seek an office different from the one for which the donations were collected also must get written approval to do so from the contributors of the funds left over from that earlier campaign. Use the process described above for identifying whose contributions are left. Again, if written permission is not provided for some contributions, those contributions may not be used for the new campaign, but must be spent for one of the other purposes outlined under Surplus Campaign Funds discussed below.

When a candidate is transferring contributions left over from a previously completed election campaign to a new campaign for a different office, those contributions that are moved to the new campaign are NOT attributed to source of the contribution, nor do they count against the contributor's limit for the new campaign. The funds are simply moved as a lump sum of surplus funds to the new account. There might be a succession of transfers to the new account, depending on when the campaign receives the written permission. On the C-3 report showing the deposit of the surplus money, simply note that surplus funds from a previous campaign are being deposited into the account with permission from the donors. (Keep these permission notices as part of the campaign records. Do not send copies of them to PDC unless requested by PDC to do so.)

Candidates who want to move funds from a Surplus Funds Account into a campaign account will also have to obtain written permission from the original contributors of the funds if the monies are to be used to seek an office different than the one which was sought at the time the contributions were given.

Surplus Campaign Funds [RCW 42.17.095]

Surplus campaign funds -- those contributions given for an election that remain after the election and that are not needed to pay obligations from the election campaign -- may only be disposed of in one or more of the ways permitted by law. These seven disposal options are discussed below.

- Returned to contributors, so long as the amount returned to a donor does not exceed the aggregate amount contributed. Refunds of contributions made by the candidate to his or her own campaign are subject to restriction. See Candidate Loan Repayments below.
- Transferred without limit to a political party or legislative caucus committee;
- Held for use in a future campaign for election 1) to the same office last sought, or 2) to a different office, if the campaign obtains written permission from the contributors of the surplus to use their contributions to seek this different office.
- Transferred to the candidate's personal account as payment for earnings lost as a result of campaigning, so long as the lost earnings can be documented, the payment does not exceed what the candidate would have otherwise earned, and all payments are properly recorded and reported.
- Donated to a charitable organization registered as required by law with the Secretary of State's Office.
- Transmitted to the state treasurer for deposit in the general fund, the oral history, state library, and archives account under RCW 43.07.380, or the legislative international trade account under RCW 44.04.270, as specified by the candidate or political committee.
- Deposited into a separate Surplus Funds Account and then used to pay non-reimbursed public office related expenses or for any of the six purposes outlined above. See Surplus Funds Accounts on page 59.

Disbursement of surplus funds is reported as an expenditure on Schedule A to the C-4 report.

According to WAC 390-16-221, these disposal options also apply to the disposal of items purchased by the campaign. When campaign assets are disposed of, attach an explanation to the C-4 report. (For example, if a left-over computer was donated to the county party central committee, the explanation would include the date, the name of the recipient, the item's description and its fair market value.)

Ending a Campaign Before the Election is Held

Occasionally, a candidate will register a campaign with the Public Disclosure Commission, accept contributions, and decide to end the campaign before the election is held. Follow these steps to dispose of remaining campaign funds when the campaign ends prematurely:

- Determine what contributions remain in the campaign account using the “first in, first out” method (i.e., starting with the most recent contributions received, determine which contributions remain unspent in the campaign account).
- Immediately return any unspent general election contributions if the campaign ends before the primary election date.
- Primary election contributions can be
 - returned to the contributor before the primary election date or
 - held in the campaign account until after the primary is held at which time they become surplus funds. Authorized uses of surplus funds can be found in the previous section.

A candidate who ends a campaign in order to start a campaign for a different office may not automatically transfer remaining campaign funds to the new campaign. See “Using Contributions for a Different Office” on page 8.

Candidate Loan Repayments [RCW 42.17.125(3)]

Candidates may donate an unlimited amount of monetary and in-kind contributions to their own campaigns (except during the 21 days before the general election). However, in order for a candidate's contribution to be eligible for repayment by the campaign, it must be recorded in a written loan agreement, designated for either the primary or general election and be properly reported as a loan on a Schedule L and on a C-3 report (or Part 1 of Schedule B to the C-4, if in-kind).

State law puts a lid on the amount a candidate may be repaid for personal loans made to his or her campaign: \$4,700 for the primary and \$4,700 for the general election. A candidate who loans his or her campaign committee an aggregate amount of \$4,700 or less per election may be repaid in full by the committee up to the amount loaned.

However, if a candidate loans his or her campaign over \$4,700 for the primary or over \$4,700 for the general, he or she may only be repaid a maximum of \$4,700 per election. Once an aggregate of \$4,700 per election has been repaid to the candidate for one or more loans made to the committee, no additional loan repayments may be made to the candidate for that election.

If a candidate makes documented out-of-pocket campaign expenditures and expects repayments (that is, he or she is not making an in-kind contribution), the campaign committee must repay the candidate within 21 days of the date the expenditure is made or the candidate will have made a loan to his or her committee. Repayment of this loan, when combined with the repayment of other loans, may not exceed an aggregate of \$4,700 per election. Undocumented out-of-pocket campaign expenditures by the candidate are in-kind contributions and are not eligible for repayment.

If a candidate uses a personal credit card to make a campaign purchase, the campaign must pay the candidate the full amount of the purchase within 21 days of the purchase or a loan or in-kind contribution to the campaign will have occurred.

Use of Public Agency Facilities [RCW 42.17.130]

Elected and appointed officials as well as public employees are prohibited from using or authorizing the use of any facilities of a public office or agency, directly or indirectly, to assist a candidate's election campaign or to promote or oppose a ballot proposition. Public agency facilities include, but are not limited

to, office stationery, postage, equipment, employees during working hours, vehicles, office space, office publications and client lists.

The above restriction does not apply to:

- action taken at an open public meeting by members of an elected legislative body to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition so long as any required notice of the meeting includes the title and number of the ballot proposition, and members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of an opposing view;
- a statement by an elected official in support of or in opposition to any ballot proposition at any open press conference or in response to a specific inquiry;
- activities that are part of the normal and regular conduct of the office or agency. "Normal and regular" has been interpreted to mean those activities that are specifically authorized by law and are customary for the agency.

Anonymous Contributions [RCW 42.17.060(4)]

Occasionally, campaigns receive funds from truly anonymous sources; that is, no one involved in the campaign knows who donated the money. Up to a point, the law allows campaigns to keep these anonymous contributions. Specifically, candidates may receive as much as \$300 or one percent of the total contributions received in a calendar year, whichever is greater.

If the limit is reached, the campaign may not use or spend any additional anonymous funds received. These excess dollars must be returned to the donors if they can be identified or forfeited to the state's general fund. If the contributors cannot be identified, immediately send a check to PDC payable to the State Treasurer in the amount of the overage, along with an explanation of the circumstances surrounding receipt of excess anonymous funds.

Campaigns may not legally use the anonymous contribution provision to avoid identifying contributors. Only contributors who give a total of \$25 or less in the aggregate need not be identified on contribution reports. A private list identifying these donors and how much they've given to date must be kept by the campaign.

Contributions received in connection with a qualifying low-cost fund raiser are NOT considered anonymous donations and are not subject to the \$300 or 1% limit. See Qualifying Low Cost Fund Raisers on page 32.

Contributions From Out-of-State PACs [RCW 42.17.093]

An out-of-state political committee, *including committees registered with the Federal Elections Commission*, not registered with PDC (that is, a PAC located in a state other than Washington organized for the purpose of supporting or opposing candidates or ballot propositions) that contributes to or spends more than \$50 on behalf of any Washington state, local or judicial candidate, ballot measure or political committee must file either a C-5 report no later than the 10th day of the month following any month in which the contribution or expenditure was made or register as an in-state committee and file contribution and expenditure reports within two weeks of spending. Whether the out-of-state committee files the C-5 or registers as an in-state committee depends on whether it satisfies the criteria set out in [WAC 390-16-049](#).

Also note that out-of-state and federal PACs, like in-state political committees registered with PDC, must themselves receive \$10 or more from at least 10 Washington state registered voters during the 180 days preceding any contribution they give to a state office candidate. If they do not meet this test, by law they are ineligible to give to candidates for legislative or statewide executive office.

[*Note: An out-of-state PAC that sponsors advertising that qualifies as an "independent expenditure" or an "electioneering communication" may have additional reporting requirements. See Independent Expenditures & Electioneering Communications on page 17.]

Expenditure Restriction [RCW 42.17.070 and .090(1)(h)]

According to state law, no expenditure may legally be made unless it's authorized by the candidate or a person named on the candidate's C-1 registration. Campaign treasurers are also required to maintain a complete record of all expenditures, including obligations that have not yet been paid by the campaign. Further, the requirement to report all expenditures extends to outstanding debts. Each unpaid obligation must be reported as part of your C-4 filings, in Part 3 of Schedule B, if it is (or is estimated to be) more than \$250, or more than \$50 and it has been outstanding for over 30 days.

If the campaign makes expenditures of over \$50 in cash, rather than by check, be sure to obtain a receipt signed by the vendor and the treasurer or candidate and keep it as part of your records. PDC recommends that cash transactions be kept to a minimum.

Also see "Permissible Expenditures" on page 44.

Monetary Contributions [RCW 42.17.740]

All monetary contributions received from PACs, political parties and caucus political committees must be by written instrument (e.g., check, money order, cashier's check). Those from individuals, associations, unions or businesses must be by written instrument if the contribution is more than \$80.

Cash contributions must be deposited into the campaign bank account, and not spent directly or mingled with petty cash. Monetary contributions are required to be deposited into the campaign account within five business days of receipt.

Soliciting Government Employees [RCW 42.17.750]

State and local elected officials (and their agents) may not knowingly solicit, directly or indirectly, a contribution to a candidate, political party or other political committee from an employee in the official's agency. For example, neither legislators nor their campaign committees may solicit political contributions from legislative employees.

The Commission has determined that an official who obtains a general, broadly-based mailing list from a vendor need not scrutinize that list for the names of employees in the official's agency prior to using it to solicit campaign contributions. For example, if an official obtains from the county elections office a list of persons who are frequent voters, the official could use this list to solicit contributions without being in violation of the law.

However, if a list were not broadly-based (for instance, it originates from the state employees union), the official would be in jeopardy of violating the law if he or she uses the list to solicit contributions and it contains the names of persons who are employed by the official's agency. Similarly, if an official intends to use the list of contributors to his or her last campaign to solicit funds and is aware (or has reason to believe) that this list includes names of current agency employees, the names of employees known to the official must be removed before the mailing goes out.

Charging for Endorsement or Media Coverage [RCW 42.17.770]

No person may solicit a candidate, political committee, political party or other person for money in exchange for an endorsement or an article in the news media supporting or opposing a candidate, committee or party.

Political Advertising

"Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support in any election campaign. [RCW 42.17.020(32)]

Political advertising does not include letters to the editor, news or feature articles, editorial comment or replies to editorials in a regularly published newspaper, periodical, or on a radio or television broadcast where payment for the printed space or broadcast time is not normally required. [WAC 390-05-290]

It is likely that any communication (whether written, audio, video or distributed via the Internet) produced and/or distributed in conjunction with your campaign is probably subject to the requirements governing political advertising.

All political advertising regarding candidates for partisan office must identify the candidate's party preference and most ads must identify the ad's sponsor. See below for details.

Political Party Preference

All political ads supporting or opposing a candidate for partisan office are required to identify the candidate's party preference. This rule applies whether the sponsor is a candidate, a candidate's committee, another political committee, an individual, or an organization or other type of entity, acting with the knowledge of, or independent of, the candidate. Abbreviations for many party names have been approved by the Commission and may be used in lieu of fully spelling out the party name. The abbreviations are:

<u>POLITICAL</u> <u>PARTY NAME</u>	<u>ABBREVIATION</u>	<u>POLITICAL</u> <u>PARTY NAME</u>	<u>ABBREVIATION</u>
Citizens	CIT	Communist	Com
Constitution	CP	Democratic	D, Dem, Demo
Independent	Ind, Indep	Libertarian	L, LP, LBT, LBTN
Progressive	P, PP, Prog	Republican	GOP, R, Repub, Rep
Socialist	Soc	Socialist Wkrs	Soc Workers, SWP

Official symbols or logos adopted by state party committees may be used in place of the full party name or abbreviation to denote the candidate's party preference.

Sponsor Identification*

The sponsor of a political ad -- the candidate, committee or other person paying for the ad -- usually must be identified. If a person acts as an agent for someone else or is reimbursed for the funds actually used to pay for the ad, the original source of the payment (or the person doing the reimbursing) is the sponsor. It's illegal to use an assumed name when identifying an ad's sponsor.

However, if one or more persons purchase advertising supporting a candidate (or opposing that candidate's opponent) after consulting with or receiving the approval of the candidate, the candidate's campaign or agent, then the advertising is an in-kind contribution to the campaign and the sponsor may be identified as either the person(s) who purchased the ad or the candidate or the candidate's campaign. The candidate must report the in-kind contribution on Schedule B to the C-4.

Some items are considered too impractical to show the sponsor ID. A list of those items is provided below in Items Exempt From Sponsor ID.

In print ads (newspaper display ads, flyers, brochures, letters, etc.) and ads distributed electronically via computer, to identify the sponsor use the words "Paid for by" or "Sponsored by" followed by the name and full mailing address (through zip code) of the sponsor(s). Treasurer's name is not required. Identification on an envelope used only for mailing purposes is optional, but is not sufficient to meet the sponsor ID requirement. The ad enclosed in the envelope must be properly identified.

In broadcast ads (radio and television ads), identify the sponsor by using the words "Paid for by" or "Sponsored by" followed by the name of the person or group paying for the ad. No address is required. Both the sponsor ID and candidate's party preference must be clearly spoken.

If the sponsor is:

a candidate, show the name and address of the candidate or the candidate's committee (No address if broadcast ad);

a political committee,* show the name and address of the committee (No address if broadcast ad; treasurer's name is not required);

an organization or business,* show the name and address of the organization or business (No address if broadcast ad; treasurer's name is not required);

more than one person or group,* show the name and address of each sponsor. (No address if broadcast ad.) If one person pays for printing and another person pays for mailing, list both as sponsors.

If a person contributes cash, goods or services to the campaign in order to assist in paying for an ad, it is not necessary to show this contributor's name as a sponsor, provided the contribution is properly reported. The candidate or the candidate's committee must be identified as the sponsor, however.

***NOTE: Advertising that qualifies as an "independent expenditure" or an "electioneering communication" is subject to different sponsor ID requirements, unless the sponsor is a political party. See Independent Expenditures & Electioneering Communications on page 17.]**

Effect of US Supreme Court Decision in McIntyre v. Ohio Elections Commission. In June of 1995, the Commission found that there is a narrow set of circumstances under which it will not enforce the sponsor identification section of the law, RCW 42.17.510(1). As such, the sponsor's name and address may be left off of a political ad that meets ALL of the following criteria:

- The sponsor is an individual acting on his or her own behalf and independently of any candidate or authorized committee, political committee, bona fide political party or party organization, caucus political committee or any corporation, union, business, association, or other organization or entity.
- The sponsor personally produces and distributes the ad (or pays for it to be produced or distributed from personal funds) and he or she receives no donations, contributions or other payments from others for the production and distribution of the ad;
- The ad supports or opposes a state-wide or local ballot proposition (not a candidate);
- The ad costs less than \$100 total to produce and distribute; and
- The ad is in writing (e.g., letter, flyer, etc.), but does not appear in a newspaper or other publication and is not communicated electronically.

ID Size and Placement

On written or printed political advertising, the sponsor's name and address and the candidate's party preference must:

- appear on the first page of the communication in at least 10 point type; or
- for ads such as billboards or posters, appear in type at least 10% of the largest size type used in the ad; and
- not be screened or half-toned (i.e., not made lighter through some printing or photographic process), and
- be set apart from any other printed text in the ad.

Content of Advertising

There are some additional rules to follow when composing political advertising:

- Be sure that the ad correctly identifies the sponsor and is truthful;
- If candidate photos are used in any ad, at least one of them must have been taken within the last five years and be no smaller than the largest candidate photo appearing in the ad.
- **“Incumbent”** means a person who now holds an elected office;
- **“Re-elect”** represents that the candidate is presently holding the office being sought, was elected to it and is seeking another term in that same office.
- The term **“re-elect”** may be used in a political ad by a non-incumbent who has previously been elected to the office being sought provided that it is clearly stated in the same ad that the candidate is not the incumbent;
- **“Retain”** represents that the candidate is the incumbent, but does not imply that the candidate obtained the position by election;
- **“Return”** represents that the candidate now holds, or has previously held, the office being sought but not necessarily by election.

State law does not require candidates to identify the office or position they are seeking in their advertising.

Items Exempt From Sponsor ID

Some advertising items, like yard signs which are 8' x 4' or smaller (32 sq. feet), need not include the sponsor identification. Other items exempt from sponsor ID are:

ashtrays	magnifying glasses
badges & badge holders	matchbooks
balloons	nail clippers & files
bingo chips	newspaper ads (one column inch or smaller)
brushes	noisemakers
bumper stickers (4" x 15" or smaller)	official state or local voter pamphlets
business cards	paper & plastic cups and plates
buttons	paper weights
cigarette lighters	pencils
clothes pins	pens
clothing	plastic tableware
coasters	pocket protectors
combs	pot holders
cups	reader boards with moveable
earrings	ribbons
emery boards	rulers (12" or smaller)
envelopes	shoe horns
erasers	skywriting
frisbees	staple removers
glasses	stickers (2-3/4" or 1" or smaller)
golf balls & tees	sun glasses
hand-held signs	sun visors
hats	swizzle sticks
horns	tickets to fund raisers
ice scrapers	water towers
inscriptions	whistles
key rings	yard signs (8' x 4' or smaller)
knives	yo-yos
labels	all similar items
letter openers	

Sign Placement

The Washington State Department of Transportation regulates when and where campaign signs can be placed along Interstate highways, primary highways, and highways that are part of the Scenic and Recreational system. See WSDOT's letter to candidates at the end of this manual. Check with your city's or county's public works departments for regulations governing campaign signs in those jurisdictions.

Violations

It is illegal to sponsor an ad, with actual malice, that contains a statement constituting libel or defamation per se² if:

- it is a false statement of material fact about a candidate for public office (unless a candidate is making a statement about him or herself or if the statement is made by the candidate's agent about the candidate) ³,
- it falsely represents that a candidate is an incumbent⁴, or
- it directly or indirectly implies a candidate has the support or endorsement of any person or organization when the candidate does not (unless the statement is made by the person or organization)⁵.

It is also illegal to:

- distribute campaign material that is deceptively similar in design or appearance to the voters and candidates' pamphlets published by the Secretary of State,
- Use the state seal or its likeness to assist or defeat any candidate for elective office, or
- Use an assumed name when identifying the sponsor.

Political Advertising Check List

When developing and proofreading political ads, be sure they are:

- ✓ properly identified with sponsor ID and, if necessary, the candidate's political party preference;
- ✓ truthful;
- ✓ in compliance with the definitions of "incumbent," "re-elect," "retain," and "return;"
- ✓ accurate with respect to claimed or implied endorsements;
- ✓ not representing the candidate as the incumbent unless he or she is; and
- ✓ not deceptively similar to official voters and candidates pamphlets.

2 "Libel or defamation per se" are statements that tend

- to expose a living person to hatred, contempt, ridicule, or obloquy [censure, blame, or abusive language aimed at a person or thing, especially by numerous persons or by the general public; discredit, disgrace, or bad repute resulting from public blame, abuse, or denunciation] , or to deprive the person of the benefit of public confidence or social intercourse;
- or to injure any person, corporation, or association in his, her, or its business or occupation.

3 A false statement of material fact exposes the candidate to contempt, ridicule, or reproach and can deprive the candidate of the benefit of public confidence, or prejudice him or her in his or her profession, trade, or vocation.

4 A statement falsely representing that a candidate is the incumbent for the office sought deprives the actual incumbent and the candidates of the benefit of public confidence and injures the actual incumbent in the ability to effectively serve as an elected official.

5 A false claim of endorsement deprives the person or organization of the benefit of public confidence and/or will expose the person or organization to contempt, ridicule, or reproach, or injure the person or organization in their business or occupation.

Independent Expenditures & Electioneering Communications

Independent expenditures and expenditures for electioneering communications are important because they are a constitutionally protected form of speech and may not be subject to limit, unlike contributions. Therefore, as long as an expenditure does not constitute a "contribution," the person making it is free to spend as much or as little as he or she likes.

Definition of Independent Expenditure. For most applications in the disclosure law, an independent expenditure is defined to be an expenditure for political advertising that:

- costs at least \$800 (either alone or in conjunction with other ads by the same sponsor benefiting the same candidate);
- supports or opposes a clearly identified candidate for state or local office;
- is paid for by someone other than a candidate, a candidate's committee or agent; and
- is paid for by some individual or entity who undertakes the advertising without having received the benefiting candidate's encouragement or approval or without collaborating with this candidate or the candidate's agent.

Definition of Electioneering Communication. Advertising must have all of the following four characteristics in order to qualify as an electioneering communication:

- The communication clearly identifies at least one candidate for state, local, or judicial office;
- appears within 60 days of an election in the candidate's jurisdiction;
- in one or more of the following media – radio, television, postal mailing, billboard, newspaper, or periodical; and
- either alone, or in combination with other communications by the sponsor identifying the candidate, has a fair market value of \$5,000 or more.

Be aware that if an expenditure meets the legal definition of "contribution," it is subject to limit and it is not considered an independent expenditure or an electioneering communication. The definition of "contribution" is found in RCW 42.17.020 and WAC 390-05-210. For this discussion of independent expenditures, it is particularly important to keep in mind that a contribution includes:

- an expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, the candidate's authorized committee or their agents; or
- paying to disseminate, distribute, or republish -- partially or completely -- a political ad prepared by a candidate, the candidate's authorized committee or other agent, regardless of whether the ad is written, broadcast or in some other form.

A person may perform ministerial functions for a candidate and a political committee without jeopardizing the political committee's eligibility to make independent expenditures or electioneering communications regarding that candidate as long as:

- The person performs solely ministerial functions for both the candidate and the political committee;
- The person is identified on both the candidate's and political committee's registration statements as a person performing ministerial functions for the campaign; and
- The person does not share information from or about one of the campaigns with the other campaign, or does not use information from or about one of the campaigns to assist the other campaign.

Ministerial functions are activities carried out as part of the duties of an administrative office without exercise of personal judgment or discretion. Typically, persons performing ministerial functions may, under the supervision of a candidate or committee officer, file PDC reports, make deposits, pay bills, and maintain campaign finance records. However, if a person performs functions for both a candidate and a political committee and those functions for one or both campaigns entail duties beyond those deemed ministerial, any expenditure by the committee benefitting the candidate may be a contribution rather than an independent expenditure or electioneering communication.

In summary, if a candidate wants to avoid compromising someone's ability to make independent expenditures or electioneering communications, neither the candidate, the candidate's committee, nor an agent of the committee may:

- Give the person encouragement, approval or direction regarding an expenditure supporting the candidate or opposing the candidate's opponent;
- Collaborate or coordinate with the person regarding an expenditure that supports the candidate or opposes the candidate's opponent;
- Provide the person with information about the candidate's plans, projects or needs prior to an expenditure supporting the candidate or opposing the candidate's opponent being made; or
- Assist a political committee with fundraising when it is known that the committee will sponsor an independent expenditure or electioneering communication that benefits the candidate.

[For more information, see RCW 42.17.020(14), (24) and (34), WAC 390-16-313 and WACs 390-05-243 and 390-05-210.]

Sponsor ID. All political advertising undertaken as an independent expenditure or an electioneering communication by any person or entity other than a party organization must include the following statement on the advertising:

"No candidate authorized this ad. It is paid for by (name, address, city, state.)"

In addition, if the ad is sponsored by a caucus political committee, a PAC or other political committee (except a party organization), the following must also appear:

- "Top Five Contributors" followed by a list of the names of the five persons or entities making the largest contributions in excess of \$700 to the committee during the 12 months before the ad runs. If a political committee keeps records tracking contributions according to the use intended by contributors, and subsequently makes independent expenditures supporting or opposing a candidate, that committee may identify the top five contributors giving for that purpose; AND
- The full name of the individual or entity that established or directly maintains or controls the sponsoring committee (or indirectly maintains or controls the sponsoring committee through the formation of one or more political committees).

These sponsor ID/controlling entity/individual and "Top 5" contributors messages must also comply with the ID size and placement standards discussed above.

For radio ads, the following statement must be clearly spoken, or for television ads, appear in print and be visible for at least four seconds, appear in letters greater than 4% of the visual screen height, and have a reasonable color contrast with the background: *"No candidate authorized this ad. Paid for by (name, city, state)."* In addition, top five contributor information, as discussed above, is necessary if the ad is sponsored by a political committee required to file with the Public Disclosure Commission.

If independent expenditure advertising is in the form of yard signs, bumper stickers, skywriting or other items exempt from sponsor ID, these ads are also exempt from the Notice to Voters and Top Five Contributors requirements.

Reporting. Independent expenditures (IEs) made by PACs, political parties and caucus political committees are reported by these spenders as part of their regular, periodic C-4 reports. All of these political committees are required to answer a question on their C-4 forms regarding whether or not the report being filed includes any IEs. Expenditures made for electioneering communications by PACs, political parties, and caucus political committees are also reported on the C-4 report. If an advertising expense qualifies both as an independent expenditure and an electioneering communication, it must be reported as an electioneering communication. Please read the following "C-6 Reports" section to determine when additional reporting is required for sponsors of independent expenditures and electioneering communication.

C-6 Reports: The purpose of an independent expenditure as well as its amount determines when the C-6 report must be filed. The next three paragraphs explain the different events that would trigger a C-6 report and when the report is due:

Individuals, unions, businesses, associations and other entities who do not report to the Public Disclosure Commission and who make independent expenditures of \$100 or more supporting or opposing a candidate or ballot measure must file a C-6 report with PDC. The first report is due within 5 days of when the expense is made. This C-6 report may be electronically filed. If subsequent IEs are made, additional reports are required on the same dates that C-4 reports are filed.

Persons sponsoring independent expenditure political ads valued at \$1,000 or more that are mailed or otherwise presented to the public within twenty-one days of a primary, general or special election are required to file a C-6 report within 24 hours of, or on the first working day after, the date the advertisement was first mailed or otherwise presented to the public. This C-6 report may be electronically filed. Additional independent expenditures of any amount following the expenditure listed on the initial filing must be reported within 24 hours. A political committee who sponsors independent expenditure ads reports the expenditures on a C-6 form as well as a C-4 or C-5 report.

All electioneering communications must be reported on a C-6 report electronically filed within 24 hours of, or the first working day after, the communication was first broadcast, mailed, erected, or published. A political committee who makes expenditures for electioneering communications reports the expenditures on a C-6 form as well as a C-4 or C-5 report.

L-2 Reports: If a lobbyist or lobbyist employer sponsors political advertising supporting or opposing a candidate or ballot measure, whether the ad constitutes a contribution, independent expenditure, or electioneering communication, the amount paid for the advertising must be reported by the lobbyist on his or her monthly L-2 lobbying report. This L-2 reporting is in addition to the required C-6 filing.

C-7 Reports: Any business, union, association, organization or other entity -- except a lobbyist employer that files an L-3 report or a political committee that files C-4 reports -- making independent expenditures during a calendar year that total over \$800 supporting or opposing state office candidates or statewide ballot measures must file a C-7 (Special Political Expenditures Report). The report is due by the last day of February of the year following the one in which the expenditures were incurred and is in addition to the C-6 filing requirements.

Part 2. Filing Campaign Reports

Register as a Candidate on a C-1

The registration must be filed within two weeks of becoming a candidate. A person becomes a candidate and subject to the disclosure law at the time he or she first does one of the following:

- receives contributions;
- makes campaign-related expenditures;
- reserves space or purchases advertising to promote his or her candidacy;
- authorizes someone else to do any of these three activities on his or her behalf;
- states publicly that he or she is seeking office (even if the candidacy is conditioned on some future occurrence, like receiving endorsements or raising a certain amount of money); or
- officially files for office.

File the C-1 with the PDC.

You do not need to file the C-1 with your county's elections officer.

File the C-1 by mail, electronically, or in person. E-file or find forms under *Filer Resources* at www.pdc.wa.gov.

It is very common for persons to become candidates for purposes of the Public Disclosure Law well before they officially file for office with the Secretary of State or local county elections officials in June.

Candidates who will only use their own funds and not accept contributions from others to conduct their campaigns must still keep records and file reports.

A candidate is limited to one authorized campaign committee, and contributions to this authorized committee are considered contributions to the candidate. A candidate may, however, also participate in a committee organized to support a slate of candidates and be a part of a joint fund raising effort. See Joint Fund Raising and Slate Committees on page 64.

Incumbents are required to file a new C-1 when they begin a new campaign by raising money, making expenditures for the upcoming election, reserving space or purchasing advertising to promote their candidacy, authorizing another to do one of these activities for them, publicly announcing their intention to run, or filing for office, whichever occurs first.

The C-1 registration form and an F-1 (Personal Financial Affairs Statement) must be filed within two weeks of becoming a candidate. Both may be filed electronically, in person, or by mail. Anyone who is required to file an F-1 will not be required to file more than one F-1 in a calendar year. An incumbent office holder who has filed an annual F-1, for example, will not be required to file a second F-1 later in the year when he or she becomes a candidate. Amended C-1 forms must be filed within ten days of changes that make the previously filed C-1 outdated.

It is no longer necessary to file a copy of the C-1 registration with the county elections officer.

Election Cycle

The C-1 registration is valid only for the election cycle for which it is filed. Technically, the election cycle begins on January 1 after the last general election for the office being sought. Practically, it begins on the day the individual becomes a candidate. The cycle ends on December 31 after the general election for the office being sought. However, candidates losing in the primary election will likely close out their respective campaign accounts earlier.

The duration of the election cycle is important because general election contributions may not be made after the cycle ends. Further, while most contributors have a per election limit, meaning one limit for the primary election and a separate limit for the general election, bona fide political party committees and caucus political committees have one limit for the election cycle and can give contributions any time during the election cycle. For example, an individual may give \$800 to a legislative candidate for the primary election, and an additional \$800 for the general election. However, the county central committee of a party may give \$.40 times the number of registered voters in the candidate's district (in conjunction with the legislative district committee) at any time during the election cycle. See Contribution Limits section for more details on limits.

Filling Out the C-1 Statement

Please type or print clearly using black ink when completing the C-1. (The reports are scanned into a document imaging system, and black reproduces clearly.)

State the candidate's first name, middle initial, and last name (as it will appear on the ballot). For example, John A. "Jack" Jones or Margaret C. "Maggie" Smith.

Identify the name of the candidate's authorized committee. For example, Jones for Senate Committee.

Show the campaign's full mailing address, including the nine digit zip, if known. At a minimum, give the first five digits of the zip code.

<u>Item No.</u>	<u>Description of Entry</u>
1	Show the office being sought, the district and position numbers and indicate whether the candidate currently holds the office being sought.
2	Specify the candidate's political party preference.
3	Give the date of the relevant general or special election.
4	Choose a reporting option after carefully noting the limitations that apply to mini reporting. Do not choose mini reporting unless the candidate intends to stay within their monetary limits <u>during the entire election cycle</u>.
5	Identify the campaign's treasurer, the person who will be responsible for receiving contributions, making expenditures and keeping accurate, detailed records. A candidate may be his or her own treasurer. (Candidates are ultimately responsible for the accuracy of their records and reports.) Include the treasurer's daytime telephone number. Do NOT use the telephone number of a government office.
6	List the name, address and title of any person who performs only ministerial functions for your campaign <u>and</u> another candidate or political committee. Ministerial functions are activities carried out as part of the duties of an administrative office without exercise of personal judgment or discretion. Typically, persons performing ministerial functions may, under the supervision of a candidate or committee officer, file PDC reports, make deposits, pay bills, and maintain campaign finance records.
7	List the name, address and title of your campaign officers (e.g., chairperson, vice-chair, manager, coordinator and other key people). By definition in rule, "officer" includes anyone designated by the campaign as an officer and any person who alone or in conjunction with other persons makes contribution, expenditure, strategic or policy decisions on behalf of the campaign.
8	Name the financial institution where your campaign account is kept, along with the branch office location and city.
9	If the candidate is affiliated with any joint fund raising committee or a committee organized to support a slate of candidates, give the name and address of the committee(s) and state the relationship.
10	During the eight days before each primary, general or special election in which the candidate is on the ballot or running as a write-in candidate, campaign books of account must be open for public inspection by appointment. Supply the street address and city for where your records may be examined and provide contact information for arranging appointments.
11	The Registration is not considered filed unless signed by the candidate.

PUBLIC DISCLOSURE COMMISSION <div style="display: inline-block; vertical-align: middle; margin-left: 10px; font-size: 0.8em;"> 711 CAPITOL WAY RM 206 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 Toll Free 1-877-601-2828 </div>		<h2 style="margin: 0;">Candidate Registration</h2>		<h1 style="margin: 0;">C1</h1> <p style="font-size: 0.7em;">(1/2008)</p>
Candidate's Name (Give candidate's full name.) John A. "Jack" Jones, Jr.			Telephone Number (509) 555-1313	
Candidate's Committee Name (Do not abbreviate.) Jones for Senate Committee			Fax Number (509) 555-1314	
Mailing Address 123 Miller Way			Candidate's E-Mail Address jjones@aol.com	
City Anyplace	County Grassland	Zip + 4 98000-0000	Campaign E-Mail Address jack@jones4senate.com	
1. What office are you running for? State Senate			Legislative District, County or City 50	Position No. 2
2. Political party (if partisan office) Independent			3. Date of general or special election November 2012	
4. How much do you plan to spend during your entire election campaign, including the primary and general elections? Based on that estimate, choose one of the reporting options below. If no box is checked you are obligated to use Option II, Full Reporting. See instruction manuals for information about reports required and changing reporting options.				
<input type="checkbox"/> Option I MINI REPORTING: In addition to my filing fee of \$_____, I will raise and spend no more than \$5,000, including any charges for inclusion in state and local voters pamphlets. I will not accept more than \$500 in the aggregate from any contributor except myself.				
<input checked="" type="checkbox"/> Option II FULL REPORTING: I will use the Full Reporting system. I will file the frequent, detailed campaign reports required by law.				
5. Treasurer's Name and Address. Does treasurer perform <u>only</u> ministerial functions? Yes ___ No <u>X</u> . See WAC 390-05-243 and next page for details. List deputy treasurers on attached sheet.			Daytime Telephone Number (509) 555-1113	
Michael Kennedy, 114 Miller Way, Anyplace, WA 98000-0000			<input type="checkbox"/> Continued on attached sheet.	
6. Persons who perform only ministerial functions on your behalf <u>and</u> on behalf of other candidates or political committees. List name, title and address of these persons. See WAC 390-05-243 and next page for details.				
<input type="checkbox"/> Continued on attached sheet.				
Louise Fargo 502 Main Street, Anyplace, WA 98000-0000 Betty Wells 819 Stevens Blvd., Anyplace, WA 98000-0000				
7. Committee Officers and other persons who authorize expenditures or make decisions on your behalf. List name, title and address. See next page for definition of "officer."				
<input type="checkbox"/> Continued on attached sheet.				
Carol Jean Jones, Manager 123 Miller Way, Anyplace, WA 98000-0000 George Anthony, Finance Chair 400 Main Street, Anyplace, WA 98000-0000 Karen Lynn, Volunteer Chair 42 Second Street, Anyplace, WA 98000-0000				
8. Campaign Bank or Depository Anyplace Savings & Loan		Branch Oak Creek Mall		City Anyplace
9. Related or Affiliated Political Committees. List name, address and relationship.				<input type="checkbox"/> Continued on attached sheet.
People for Responsible Gov. P O Box 85, Anyplace, WA 98000				Sharing Advertising
10. Campaign books must be open to the public by appointment between 8 a.m. and 8 p.m. during the eight days before the election, except Saturdays, Sundays, and legal holidays. In the space below, provide contact information for scheduling an appointment and the address where the inspection will take place. It is not acceptable to provide a post office box or an out-of-area address.				
Street Address, Room Number, City where campaign books will be available for inspection 123 Miller Way, Anyplace In order to make an appointment, contact the campaign at (telephone, fax, e-mail): (509) 555-1313				
11. CERTIFICATION: I certify that this report is true, complete and correct to the best of my knowledge.				
Candidate's Signature			Date	

Monetary and In-Kind Contributions

The law requires that all contributions to the candidate or his or her campaign are subject to the contributor's limit and must be reported by the candidate's committee. This section is devoted to discussing what a contribution is (and is not), explaining fund raising activities and also giving details on contribution record keeping and reporting. **Candidates and their treasurers are urged to call PDC at (360) 753-1111 for help.**

Definition

The term "contribution" is defined very broadly and not only encompasses money, but also the vast majority of items and services that will assist a candidate in getting elected. "Contribution" includes:

- a loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;
- an expenditure made by an individual, business, union, PAC, political party or other entity in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, political committee, or their agents;
- payments made by an individual, business, union, PAC, political party or other entity to disseminate, distribute or republish, in whole or in part, any broadcast, written, graphic, or other form of political advertising prepared by a candidate, a political committee, or their agents; or
- services, property or rights furnished at less than their fair market value.

Dollars received from the sale of tickets to fund raising events such as dinners, concerts, parties and the like are contributions. The purchaser of the tickets is the contributor, even if the tickets are given to others. When determining the amount of the contribution received from buyers of fund raiser tickets, the campaign may deduct the cost of consumables from the ticket purchase price. "Consumables" includes food, beverages, preparation, catering or entertainment furnished at the event.

Note that this ability to deduct for the cost of consumables may not be construed in a way that undermines contribution limits. For example, if five persons were each to pay one-fifth of the full cost of holding an event for a candidate, part of their in-kind contribution to the candidate would include the amounts paid for the consumables furnished at the event and this in-kind contribution counts against each contributor's limit.

In order to avoid having these in-kind contributions count against each contributor's limit, it might be tempting to a candidate's campaign to organize an event and then have these five persons buy all of the tickets and use the consumables deduction to reduce the amount of the actual contribution from each. This approach would allow the contributors to be the defacto hosts of the event without showing the full value of the contribution made.

However, this result is not consistent with contribution limits nor with the intent of the consumables deduction. **As such, each purchaser of fundraiser tickets to a candidate's event is allowed one per-person deduction for the cost of consumables, regardless of how many tickets are purchased.** The candidate's committee could still ask table captains to be responsible for selling, for example, ten tickets to an event. But, each ticket would have to be purchased by a separate contributor in order for the campaign to deduct the pro-rated share of consumables from every ticket sold. (If the table captain is actually going to collect money on behalf of the campaign, he or she needs to be a deputy treasurer. The table captain would not have to be a deputy treasurer if he or she only is responsible for finding purchasers who then buy their tickets directly from the campaign.)

See the discussion on Deducting Cost of Consumables on page 63 for information on how to calculate the deduction and report this activity.

The record keeping associated with a fund raiser may be greatly reduced if the event qualifies as a Low-Cost Fund Raiser. See page 32 for further information. Note, if you're holding a low-cost fund raiser, you would not also deduct for the cost of consumables.

Contributions, other than money, have a dollar value equivalent to the fair market value of the item. If services or items are provided to a campaign and the campaign pays less than the fair market value of the service or item, an in-kind contribution has been received by the candidate. See "Valuing In-Kind Contributions" on page 41.

What is Not a Contribution

The following activities are NOT considered contributions to a candidate or the candidate's campaign. They are neither reportable as contributions nor do they count towards the donor's limit.

- A contribution that is returned to the contributor within five business days of receipt.
- Ordinary home hospitality, including coffee hours, cocktail parties, wine and cheese parties and similar gatherings where the purpose is to meet the candidate or organize a campaign and where no admission fee is charged or contributions expected from those attending.
- Personal services of the kind commonly performed by volunteers so long as no volunteer is being compensated by anyone in connection with his or her volunteer activity (see Volunteer Services).
- Incidental expenditures by volunteers of \$50 or less in the aggregate for the duration of the campaign. If this limit is exceeded, the entire amount is reported as an in-kind contribution and subsequent expenditures by the volunteer would be disclosed on future reports as additional contributions.
- A news item, feature, commentary or editorial in a regularly scheduled news medium that is 1) of primary interest to the general public, 2) controlled by a person whose business is that news medium, and 3) not controlled by a candidate or a political committee.
- Internal political communications from 1) a political party organization or PAC primarily to its contributors or members; 2) a corporation or similar enterprise primarily to its officers, management staff and stockholders; or 3) a union, association or other membership organization primarily to its members.
- Messages in the form of reader boards, banners, yard or window signs displayed on an individual's or entity's own property or property occupied by the individual or entity. However, if the individual or entity normally charges a fee to display a message, an in-kind contribution would occur if no fee or a reduced fee is charged for display of a political ad.
- Providing legal or accounting services if 1) the person or entity paying for the services is the regular employer of the person rendering the service, the attorney or accountant is self-employed or doing the work on his or her own time, and 2) the services are solely for the purpose of complying with state election or public disclosure laws.
- Standard interest earned on money deposited into the campaign account.

Everything else of value received by the candidate or the candidate's committee for use in the election campaign -- including discounts on items purchased or services rendered -- and any other type of expenditure by a person done in such a way that it constitutes a contribution to the candidate is subject to limit and must be recorded in the campaign records and included on the appropriate disclosure report.

Volunteer Services

As noted above in the definition of "contribution," personal services of the sort that are commonly performed by campaign volunteers are not considered contributions so long as the individual who performs one or more of these activities is not compensated by anyone for the services rendered.

This means that volunteers (who are not paid by anyone in connection with the volunteer tasks they perform) may do certain campaign work without the candidate having to report their services as in-kind contributions and count these contributions against the volunteer's limit. If an individual takes paid vacation or leave time that he or she has earned and uses the time to assist on a campaign, the individual is not considered "paid" for campaign work, and is eligible to perform volunteer activities (without accruing a contribution to the candidate).

The Commission has defined these commonly performed campaign services to include:

- Office staffing;
- Doorbelling or leaflet drops;
- Mail handling (folding, stuffing, sorting and postal preparation);
- Political or fundraising event staffing;
- Telephone bank activity (conducting voter identification, surveys or polling, and get-out-the-vote campaigns);
- Construction and placement of yard signs, hand-held signs or in-door signs;
- Acting as a driver for the candidate or campaign staff;
- Scheduling campaign appointments and events;
- Transporting voters to polling places on election day;
- Preparing campaign disclosure reports and otherwise helping to ensure compliance with state election or public disclosure laws*;
- Campaign consulting and management services, polling and survey design, public relations and advertising, or fundraising performed by any individual, so long as the individual does not ordinarily charge a fee or receive compensation for providing the service; and
- All similar activities as determined by the Commission. [WAC 390-17-405]

[*Attorneys or accountants, whether they are being paid by their employers or are on their own time, may provide their professional services 1) to a candidate in order to assist the candidate in complying with state election or PDC laws, or 2) to a bona fide political party or caucus political committee for any purpose. However, these professionals may not provide similar services to any other type of political committee without a contribution ensuing, unless the committee pays the fair market value of the services rendered.]

Contributions by the Candidate

The personal funds of a candidate contributed to his or her own campaign are not subject to any overall contribution limit, but may not exceed the respective \$5,000 or \$50,000 restriction imposed during the 21 days preceding the general election and discussed on page 6. Nevertheless, even though there is no limit on the amount a candidate may give his or her own campaign, there is a restriction on how much the candidate may be reimbursed by the campaign. See Candidate Loan Repayments on page 10.

Contributions to a candidate from his or her spouse are subject to the per election limit on contributions from individuals.

By administrative rule [WAC 390-17-305], the personal funds of a candidate are as follows:

- assets that the candidate has legal access to, or control over, and legal title to at the time he or she becomes a candidate;
- income from employment;
- dividends and proceeds from stocks and other investments;
- income from trusts, if the trusts were established before candidacy;
- income from trusts established from bequests, even if these trusts were established after candidacy;
- customarily received personal gifts;
- proceeds from lotteries and similar games of chance; and
- his or her portion of assets owned jointly with a spouse (and, if the candidate's financial interest is not specified, his or her share is considered to be one half of the value of the asset).

Gifts and loans received by the candidate that are in any way connected to his or her campaign, even remotely, are considered contributions from the original donor and are subject to limit.

The one exception is a written loan agreement entered into by the candidate with a commercial lending institution that is made in the ordinary course of business on the same terms regularly available to the general public, and that is not guaranteed or co-signed by anyone else. If a candidate's committee repays a commercial loan made to the candidate, that repayment may not exceed \$4,700 per election. A commercial loan to a candidate's committee is presumed to be guaranteed by the candidate and repayment by the committee may also not exceed \$4,700 per election. See Candidate Loan Repayments on page 10.

Contribution Limits

A state executive or legislative office candidate is prohibited from accepting aggregate contributions exceeding the following amounts:

Source of Contribution	To State Executive Candidates	To Legislative Candidates
Individual	\$1,600 ¹	\$800 ¹
Union or Business	1,600 ¹	800 ¹
Political Action Committee	1,600 ¹	800 ¹
State Party Central Committee	.80/voter ²	.80/voter ²
County Party Central Committee	.40/voter ³	.40/voter ⁴
Legislative District Committee	.40/voter ³	.40/voter ⁴
Minor Party Committee	.80/voter ⁵	.80/voter ⁵
Caucus Political Committee	.80/voter ⁵	.80/voter ⁵

- 1 This is a per election limit; each primary, general and special election is considered a separate election. This limit does not apply to the candidate using personal funds to give to his or her own campaign. The limit does apply to the candidate's spouse.

Donors giving to legislative and state executive office candidates may make primary election contributions up to 30 days after the date of the primary if the state office candidate loses in the primary and the candidate's authorized committee has insufficient funds to pay primary debts outstanding as of the date of the primary. *Candidates who win the primary election may not accept primary election contributions after the primary.* General election contributions must be made no later than December 31 of the election year.

During the 21 days before the general election, no candidate for legislative office may contribute to his or her own campaign more than \$5,000 in the aggregate, and no candidate for state executive office may contribute to his or her own campaign more than \$50,000 in the aggregate.

- 2 The limit amount of \$.80 times the number of registered voters in the jurisdiction is for the entire election cycle. The election cycle is from January 1 after the last election for the office or the start of the candidate's campaign -- whichever is later -- through December 31 of the election year in which election is sought. Contributions must be made no later than December 31 of the election year.
- 3 During the election cycle (defined in #2 above), all county central committees and legislative district committees in the state share a combined limit to each candidate of \$.40 times the number of registered voters statewide as of the last general election. (However, during the 21 days before the general election, neither a county central committee nor a legislative district committee may give a state executive office candidate more than \$50,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.
- 4 County central and legislative district committees may only give to legislative candidates running for office in their jurisdictions. During the election cycle (defined in #2 above), a legislative district committee, in conjunction with all county central committees in that district, share a combined per candidate limit of \$.40 times the number of registered voters in the legislative district as of the last general election. (However, during the 21 days before the general, neither a county central committee nor a legislative district committee may give a legislative candidate more than \$5,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.
- 5 The limit amount is for the entire election cycle. The election cycle is from January 1 after the last election for the office or the start of the candidate's campaign -- whichever is later -- through December 31 of the year in which election is sought. (However, during the 21 days before the general, a caucus political committee may not give a state executive candidate more than \$50,000 in the aggregate or a legislative candidate more than \$5,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.

Earmarked Contributions

Sometimes contributors give money to political parties or other committees for spending on behalf of one or more candidates or committees. These types of donations are known as earmarked contributions. Earmarked contributions may not simply be passed along to the benefiting candidate; they must be spent by the committee to whom they were sent -- at least for the most part -- for the benefit of the intended recipient.

In the case of earmarked contributions, the "original contributor" is the person making the earmarked contribution. The "conduit" is the committee that is provided the funds by the original contributor for spending on behalf of a candidate or another committee. The "beneficiary" or "benefiting candidate" is the candidate or committee who ultimately benefits from the funds spent by the conduit.

"Earmarked contributions" are any contribution given to an intermediary or conduit -- either a political party, another type of political committee, a candidate or a third party -- with a designation, instruction, or encumbrance, whether direct or indirect, express or implied, oral or written, which is intended to result in or which does result in all or any part of the contribution being made to or for the promotion of a certain candidate, state official or ballot proposition.

An earmarked contribution counts against the original contributor's limit for the benefiting candidate. If all of the earmarked contribution is not spent by the intermediary or conduit for the benefit of the designated recipient, the remainder must be transferred to the recipient unless it is re-designated by the original contributor to another recipient. If the remainder is used to benefit another candidate or committee and the intermediary or conduit directed or had any control over the selection of this recipient, the amount of the remainder is a contribution from both the original contributor and the conduit.

Receipt of an earmarked contribution must be reported by the intermediary or conduit to both PDC and the benefiting candidate or committee within two days using form Special Report E.

If an earmarked contribution is refused by the benefiting candidate or committee, the earmarked contribution must be returned by the intermediary or conduit to the original contributor within five business days of the date the intermediary or conduit is notified of the refusal.

Benefiting candidates and committees will report earmarked contributions as follows:

On the first C-4 report due after receiving notice that an earmarked contribution has been received by the intermediary/conduit, report in Part 1 of Schedule B:

- the date you received notice of the earmarked contribution;
- the original contributor's name and address;
- the intermediary's name and address;
- the full amount received by the intermediary or conduit as an in-kind contribution;
- the aggregate contributed by the original contributor for the campaign; and
- the election for which the contribution was made.

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

SCHEDULE
TO C4

B

(1/04)

Candidate or Committee Name (Do not abbreviate. Use full name.)

John A. "Jack" Jones, Jr. (Jones for Senate)

Report Date

3/6/XX

1. IN KIND CONTRIBUTIONS RECEIVED (goods, services, discounts, etc.)

Date Received	Contributor's Name and Address	Description of Contribution	Fair Market Value	Aggregate Total	P R I	G E N	If more than \$100, Employer Name, City, State & Occup.
3/5/XX	Superior Roofing Service PO Box 88 Anyplace, WA	Cash donation Earmarked thru Independent Party	250	300	x		
							Occupation

On the first C-4 report filed after being notified by the intermediary/conduit that the actual amount spent was different from the amount originally reported as an in-kind contribution, file a Schedule C detailing the correction. If less was spent than originally reported, explain the correction and reduce the amount of the in-kind contribution in Parts 1 and 2 of Schedule C and on Lines 6 and 15 of the C-4. The correction must be included in both Parts 1 and 2 because an in-kind contribution is both a contribution and an expenditure.

If more was spent, show the amount of the increase and state what source(s) supplied the additional funds in Part 1 of Schedule C. Also include the correction amount in Part 2 and put the amount of the increase on Lines 6 and 15 of the C-4. (Note: The explanation may be an attachment and may consist of the notice received from the intermediary/conduit.)

Intermediaries or conduits will report earmarked contributions as follows:

Complete Special Report E and mail the original version of the report to PDC and a copy to the beneficiary within two days of receiving the earmarked contribution.

Notify the beneficiary of the actual amount spent as soon as practicable, hopefully no later than the end of month in which the election is held. If more funds than the amount donated by the original contributor were spent, be sure to inform the beneficiary of the source and amount of the additional dollars.

With the first C-4 report filed subsequent to the general election, file a recapitulation of earmarked funds received. For each earmarked contribution, include:

- the date it was received by the intermediary or conduit,
- the beneficiary's name,
- the total amount of the contribution, and
- the amount expended on behalf of the beneficiary.

Special Reports for Contributions of \$1,000 of More

During the seven days before the primary and the 21 days before the general election, candidates must file special reports of contributions they receive during that 7- or 21-day period from one source that is \$1,000 or more in the aggregate, whether cash or in-kind or a combination of the two. For example, if a candidate receives \$1,600 from one contributor during the 7 days before the primary or the 21 days before the general, whether the amount came in one lump sum or two or more payments, a special report must be filed.

The special report discloses:

- the amount of the contribution(s);
- the date or dates received;
- the name and address of the donor; and
- the receiving campaign's name and address.

Candidates receiving one or more contributions from a single source totaling \$1,000 or more must deliver a written report to PDC within 48 hours of receiving the contribution triggering the report, or the first working day thereafter. (All lobbyists, lobbyist employers, and political committees -- including PACs, parties and caucus committees -- that give contributions totaling \$1,000 or more are required to send the recipient and PDC a special report of the contribution within 24 hours. However, a candidate who receives \$1,000 or more from one source during the 7 days before the primary or 21 days before the general election must deliver its report to PDC within 48 hours even if the donor fails to report in a timely manner.)

These written reports may be delivered to PDC in person or via electronic filing (C-3 report), e-mail, facsimile, telegram, mailgram or overnight delivery. **You may fax this special report (but not regular C-3 or C-4 reports) to PDC at (360) 753-1112.** Be sure to keep the transmission confirmation sheet as part of your records.

If a written report cannot be delivered within 48 hours, call PDC and relay the information within that time frame and mail written confirmation of the telephone report the same day. When you call PDC, you'll be given a log number to verify that you called. Reference that log number on the mailed report.

The Commission has not adopted an official form for reporting these \$1,000 or more contributions. Simply supply the necessary information on a sheet of paper, or within the text of an e-mail or telegram. Electronic filers should file a C-3 report within 48 hours of receiving the contribution. An unofficial form has been developed by PDC staff for those intending to fax these reports. It's available on request or on the PDC web page at www.pdc.wa.gov under Filer Assistance.

(Note: In addition to the special notice requirement, these large, last-minute contributions also are treated like all other contributions: monetary donations are deposited within five business days and included on the C-3 report reflecting the deposit; in-kind contributions are disclosed on Schedule B to the C-4.)

Keeping Records of Contributions

Treasurers will have to pay a lot of attention to keeping accurate and up-to-date contribution records. PDC recommends that state office campaigns use the free computer software provided by the Commission that allows easier handling of large volumes of data and automatic calculation of cumulative totals for contributors. See page 66 for more information.

Whatever kind of contribution record keeping system is implemented, it must be able to provide separate contributor totals for primary election contributions and general election contributions. Since it's likely many donors will not specify or designate a contribution for a certain election, the Commission has approved the following course of action:

- if a contribution is designated in writing by the contributor for a specific election, the contribution will be attributed to the contributor's limit for that designated election;
- an undesignated contribution made prior to the date of a primary election shall be attributed to the contributor's limit for the primary election;
- any portion of an undesignated contribution made prior to the date of the primary that exceeds the contributor's primary limit must be attributed to the contributor's limit for the general election; and
- an undesignated contribution made after the date of the primary must be attributed to the contributor's limit for the general election.

Also, it's a violation to spend any general election contributions for the primary election campaign if to do so would cause the contributor of those general election funds to exceed that contributor's contribution limit for the primary election. That is, if a contributor (other than a bona fide political party or caucus political committee whose limits are based on an election cycle) has given the maximum in the primary and has also given donations for the general, this general election money may not be spent unless and until the candidate survives the primary and is a candidate in the general election. You are not required to put this general election money into a separate account, but you may wish to put it in a savings account so that it is not inadvertently spent until you know if the candidate will be running in the general election.

Contributions from political party organizations and caucus political committees: Contributions from party and caucus committees should not be attributed to either the primary or general election. These committees have an election cycle limit that controls how much they may give state office candidates. See page 26.

Legislative campaigns must also keep in mind that they may only accept contributions from county and legislative district committees in their jurisdictions. (If a county or district committee represents an area that is not entitled to vote for a candidate, that committee may not give to the candidate.) Further, neither a legislative candidate nor a state executive office candidate may accept more than \$.40 per registered voter jointly from all county committees and legislative district committees in the candidate's jurisdiction. As with other limits, the candidate's treasurer will have to make sure this joint limit is not exceeded, especially since the committees involved will not necessarily communicate with each other before making contributions.

Occupation and Employer

Treasurers will also need to obtain occupation and employer information regarding some contributors. Specifically, if an individual gives the campaign more than \$100 in the aggregate since the beginning of the campaign -- counting all monetary and in-kind contributions given for the primary and the general by that person -- the campaign must report the individual's occupation as well as the name, city and state of the individual's employer. If that individual, after reaching the more than \$100 threshold, gives more donations to the campaign,

the occupation and employer information will have to appear on each subsequent report that shows a contribution from that individual.

Failure to comply with this provision could result in the campaign being found in substantial non-compliance with the disclosure laws and rules.

Recording a Contribution

For each contribution received, the following information should be noted in your records:

- date contribution was received by the campaign;
- name, address, city, state and zip code of the contributor;
- amount of the contribution (or the value and description of an in-kind contribution);
- if the contributor is an individual who has given more than \$100 since the beginning of the campaign, give the individual's occupation and his or her employer's name, city and state;
- if the contributor is making a primary election contribution, show the total amount given for the primary; if it is a general election contribution, show the total given for the general election, including loans, pledges and other monetary and in-kind contributions received; and
- for contributions from a bona fide political party committee or a caucus political committee, show the total contributions received since the beginning of the campaign.

Each monetary contribution must be deposited into the campaign account within five business days of receipt. This means that campaigns must make bank deposits of all monetary contributions on hand at least weekly.

For each deposit made, prepare a C-3 report and a bank deposit slip listing all cash and checks received since the last deposit.

For each in-kind contribution received, include information about the contribution in Part 1 of Schedule B covering the period when the contribution was received. In-kind contributions include such things as goods and services, discounts on products or services, free transportation provided the candidate or campaign staff or other things of value.

"Receipt" of Contributions

In the past, some campaigns have had difficulty determining when a contribution is officially considered received. In order to remedy this confusion, the Commission adopted the following administrative rule.

"Receipt" of a campaign contribution occurs at the earliest of the following:

- the date that the candidate, treasurer, deputy treasurer, campaign manager, campaign chairperson or similarly situated campaign official obtains possession of the contribution, or
- the date that the candidate, treasurer, deputy treasurer, campaign manager, campaign chairperson or similarly situated campaign official is informed of the contribution, or becomes aware that the campaign, or in the case of an earmarked contribution, the intermediary or conduit, has possession of the contribution, or
- the date that the contribution becomes available for use by the candidate or committee.

Sources of Contributions

Candidates and treasurers who file disclosure reports listing their sources of contributions must often make decisions about whom to show as the contributor.

Contributors have the obligation to inform campaigns of the true and actual source of the donation at the time the contribution is made. However, in the absence of other information concerning a contribution's true source, follow the interpretations given below when keeping records, identifying your contributors on the C-3 report and when complying with the contribution limits.

One-Party Personal Checks. List the name printed on the top of the check as the contributor.

Joint Personal Account Checks. Attribute equal parts of the contribution to each of the names of the parties printed on the check, unless a written explanation to the contrary accompanies the contribution. (In the case of \$100 check drawn on the account of John and Mary Smith, attribute \$50 to John and \$50 to Mary. John and Mary each may contribute up to the maximum allowed by an individual.)

Checks Drawn on Sole-Proprietor Business Accounts. For contribution purposes, the owner of the business and the business entity are considered one and the same. The proprietor's aggregate contribution total must include donations from his/her personal funds as well as from the business.

Partnership Account Checks. List the partnership as the contributor, unless the contribution is to be paid from one or more of the partners' capital accounts, in which case the contribution is attributed to the partner or partners whose funds are being used. Written notice of this arrangement is to accompany the check.

Corporate Checks. Show the contribution as coming from the corporation whose name is printed on the check. If the corporation is affiliated for contribution limit purposes with another entity, all contributions from both the corporation and the other entity are added together to determine when the limit has been reached. Corporate subsidiaries share a contribution limit with their parent corporations; however, if the parent company does not participate in an election campaign regarding a candidate, then each subsidiary has its own limit [unless the subsidiaries are themselves affiliated pursuant to the factors set out in WAC 390-16-309(3)]. If the parent organization does not stay out of an election campaign regarding a candidate, then the parent and all of its subsidiaries share one contribution limit. A corporation always shares a limit with its PAC. See WAC 390-16-309.

Union, Association or Membership Organization Checks. Show the contribution as coming from the entity whose name is printed on the check. Local units of any organization -- including unions, associations, collective bargaining organizations, trade associations and other membership organizations -- share a contribution limit with the state and federal levels of their organizations. If neither the federal nor state level participates in an election campaign regarding a candidate, each local unit has its own contribution limit [unless the local units are themselves affiliated pursuant to the factors set out in WAC 390-16-309(3)]. If both the state and federal level do not stay out of an election campaign regarding a candidate, then the federal, state and local units all share one contribution limit. RCW 42.17.660. A union, association, or other membership organization always shares a limit with its PAC.

PAC Checks. Show the political committee whose name is printed on the check as the contributor. A PAC established, financed, maintained or controlled by a corporation, union, association or any other type of entity shares a contribution limit with that entity. For example, a corporation and its PAC share one limit, as do a union and its PAC.

Further, if a PAC receives all of its funds from one source (whether that source is an individual, an entity, a political committee or any group of persons) and this source exercises exclusive control over how the PAC funds are spent, the source shares a contribution limit with the PAC. [RCW 42.17.660(1)]

Contributions From Minors. Contributions by unemancipated children under eighteen years of age are considered contributions by their parents and are attributed proportionately to each parent. In the case of a single custodial parent, the total amount of the contribution is attributed to the parent; otherwise, 50% of the contribution is attributed to each parent.

Contributions from emancipated children under eighteen years of age are considered contributions from the child if the decision to contribute is made knowingly and voluntarily by the child, the contribution is from a source owned and controlled exclusively by the child, and the contribution does not result from a gift intended to give the child the wherewithal to contribute.

Contributions of Uncertain Origin

Do not deposit any contribution, or accept any in-kind contribution, if you know or suspect it has been made in a fictitious name, or by one person through an agent, relative, political committee, or any other person so as to conceal the true source or to exceed the contribution limits. Return such a contribution within ten calendar days to the source, if known, or endorse the check and make it payable to the State Treasurer. Send the check to PDC, along with an explanation, for deposit in the state's general fund.

Fund Raising Events

Money raised in connection with a fund raising event must be deposited into your campaign account and reported on a C-3 report. However, the amount donated by each contributor purchasing a ticket may be reduced by the pro-rated cost of consumables provided. Consumables include food, beverages, preparation, catering or entertainment furnished at the event. See page 63 for more information about deducting the cost of consumables.

All in-kind contributions received in connection with a fund raising event are also considered contributions and are reported on Schedule B to the C-4 report. In-kind contributions are reported at their fair market value. See "Valuing In-Kind Contributions," page 41.

Unless the event is a "Qualifying Low-Cost Fund Raiser," the campaign must keep track of how much each contributor donated, identify on the C-3 report the names and addresses of those who gave over \$25 at the fund raiser or whose cumulative totals for the campaign are now over \$25, and also show the occupation and employer of any individual who has given more than \$100 in the aggregate.

Frequently, at fund raisers, candidates receive contributions from anonymous sources. Any anonymous funds received at a fund raiser count toward the limit placed on the amount of anonymous funds that may legally be received (\$300 per calendar year or 1% of the total contributions received during the calendar year, whichever is more). Funds received in connection with a "Qualifying Low-Cost Fund Raiser" are not considered anonymous, even though the sources are unidentified.

Qualifying Low-Cost Fund Raisers

If a qualifying low-cost fund raiser is held, you only need report on the C-3 the activity's date, a description of the event, and the total amount received from all contributors paying \$50 or less.

You do not have to keep track of how much each person contributed and record that information in your records or itemize it on a contribution report. In-kind contributions of \$50 or under received in connection with a qualifying low-cost fund raiser need not be reported at all. Any event satisfying one of the criteria listed below qualifies as a low-cost fund raiser.

The following events qualify as low-cost fund raisers:

- retail sales of goods or services at a reasonable approximation of their fair market value;
- a gambling operation conducted in compliance with state gambling laws (contact the Gambling Commission at 360/486-3440);
- a food and beverage event where the admission price or the cost for the food and beverages is no more than \$25;
- an entertainment event (concert, dance, theater performance, etc.) where the admission price is no more than \$25; and
- an auction or similar sale where the total fair market value of items donated by any person is no more than \$50.

If someone pays over \$50 to participate in a qualifying event or pays more than \$50 to purchase auction or sale items, you must record the full amount of that contribution in your records, identify the person's name and address on the C-3 report and show occupation and employer if the individual has given more than \$100 to the campaign. However, the remainder of the funds collected from participants paying \$50 or less may still be lumped together and reported as a single sum on the C-3.

The entire event does not qualify as a low-cost fund raiser (and you must record and report the amounts given by each contributor participating in the event) **if you:**

- sell goods or services at over their fair market value, or
- hold food/beverage or entertainment events having an admission price of more than \$25, or
- hold an auction or similar sale and someone donates items worth more than \$50.

Some people invited to low-cost fund raisers will not pay at the door, but rather will forward a check either before or after the event. So long as they attend the event, you may treat their contribution like other funds received in connection with the event. It's not expected that all the funds received in relation to an event will appear on one C-3, since money will trickle in both before and after the event. However, if someone does not attend the fund raiser,

but sends along a contribution anyway, that money is treated as a regular contribution and is not lumped together with fund raiser receipts.

Loans

All loans, regardless of the source, received by the candidate or his/her campaign:

- must be by written agreement;
- are reported in Part 1 of Schedule L and, if monetary, on the C-3 report, or if in-kind, in Part 1 of Schedule B; and
- are subject to contribution limits as well as the restriction in place during the 21 days before the general election when all contributions from one source (including loans) may not exceed \$50,000 to a candidate for statewide office or \$5,000 to a legislative candidate, unless the contributor is the state committee of a bona fide political party.

There are also special circumstances that apply to certain types of loans.

Candidate Loans. Candidates may choose to make loans to their own campaigns from their own personal funds. The definition of "personal funds" is discussed in Contributions by the Candidate on page 25. The law says that the maximum amount the campaign may repay the candidate for all loans he or she makes to the campaign is \$4,700 for the primary election and \$4,700 for the general election. Make "primary election loans" on or before the date of the primary and use them to pay primary election expenses. Be sure to use "general election loans" to pay general election-related expenses.

Commercial Loans. Loans to a candidate or candidate's committee from commercial lending institutions made in the regular course of business on the same terms ordinarily available to the public are considered loans to the candidate and are reported on the C-3 and Schedule L as coming from the candidate (not the lending institution). Persons who guarantee or co-sign such loans have made a contribution in the full amount of the loan. Repayment of commercial loans to a candidate or candidate's committee may not exceed \$4,700 per election.

Non-Commercial Loans. A loan from an individual, political committee, corporation, union or other entity that is received by the candidate or the campaign is a contribution to the campaign from the lender, and when combined with other contributions from that contributor, may not exceed the limit allowed by law. Persons who co-sign a loan have made a contribution in the full amount of the loan.

Regardless of the type of loan, the amount contributed by lenders and co-signers is reduced as their loans are repaid. Repayments are reported in Part 2 of the Schedule L and on the C-4 report. Information on reporting loan repayments is provided on page 49.

For each loan received, complete Part 1 of Schedule L and attach the schedule to the C-3 that reflects the loan's deposit into the campaign account.

Schedule L (Part 1)

To complete this portion of Schedule L, first identify the name of the candidate filing the report. In Part 1, include:

- the date the loan was received;
- the lender's name and address (and, if the loan is more than \$100, report the lender's occupation as well as name, city and state of the employer);
- if the loan is from the candidate or a contributor who has a per-election limit, show whether the loan is for the primary or the general election;
- the amount of the loan;
- the rate of interest charged (if any);
- the terms for repayment;
- the date by which the loan is to be repaid in full; and
- the names of any endorser, co-signer or loan guarantor.

Be sure the loan amount is included on line 1c of the C-3 report showing deposit of the loan. Attach the Schedule L to this C-3.

LOANS

See Instructions and Example on reverse

SCHEDULE
TO C3
OR C4

L
(1/02)

Candidate or Committee Name

John A. "Jack" Jones, Jr. (Jones for Senate)

Report Date

6/10/20XX

1. MONETARY OR IN-KIND LOAN RECEIVED. Loans are considered contributions and are subject to any applicable limit.

Date Loaned	Lender's Name and Address	P R I	G E N	Amount of Loan	Annual Interest Rate	Repayment Schedule	Date Due
5/15/2009	John A. Jones, Jr. 123 Miller Anyplace, WA 98000	X		4,700.00	None	As Funds Allow	12/31/09
If monetary loan, also include this amount on line 1c, C3 report. If in-kind loan, itemize in Part 1 of Schedule B.				4,700.00			

Name and Address of Each Loan Endorser, Co-Signer	P R I	G E N	Amount Liab For (Same as Loan Amount)	Aggregate Total	If Total Contributed is more than \$100, Show Endorser's Occupation and Name, City, & State of Employer

☐ Continued on attached sheet

2. LOAN PAYMENTS. Candidates may be repaid no more than amount loaned or permitted by WAC 390-05-400, whichever is less. See instruction manual.

Date Paid	Lender's Name and Address	Principal Paid	Interest Paid	Total Payment	Balance Owed
Total Principal Paid Enter also on lines 5 and 14, C-4 report					
			Total Payments Enter as an expenditure on Schedule A		

3. LOANS FORGIVEN.

Date	Lender's Name and Address	Original Amount	Principal Repaid	Amount Forgiven	Balance Owed

4. LOANS STILL OWED. List each loan that has previously been reported and still has a balance due.

Date	Lender's Name and Address	Original Amount	Principal Repaid or Forgiven	Amount Owed
				Subtotal
New Loans Received (and listed in Item 1 above)				4,700.00
Total Loans Owed Include in total on line 19, C-4 report				4,700.00

☐ Continued on attached sheet.

Auctions (Attachment Au)

Many campaigns hold auctions to raise campaign dollars.

Auctions that qualify as low-cost fund raisers do not need to be reported on Attachment Au to the C-3; the in-kind donations go unreported altogether and the receipts generated by the event are lumped together and reported on the C-3. See "Qualifying Low-Cost Fundraisers" on page 32.

However, **auctions that do not qualify as low-cost fund raisers** (usually because you want contributors to be able to give items valued at more than is allowed for a low-cost fund raiser) **must be fully reported** on an Auction Report (Attachment Au), with the total received noted on line 1d of the C-3.

Preparation is the key to simplifying the reporting of auctions. As each donated item is received, take the following steps:

- Assign it a number and a brief description;
- Record the contributor's name and address, whether the donation is for the primary or the general, and the item's fair market value;
- Put this information on Attachment Au and in your contributor records;
- If the donation was for the primary, include this contributor's cumulative total for the primary on Attachment Au; otherwise put the contributor's cumulative total for the general; and
- If the contributor is an individual and he or she has given more than \$100 in the aggregate to the campaign, then provide the person's occupation and his or her employer's name, city and state.

When the auction occurs, keep track of who purchases each item, the sale price and the purchaser's address and, if necessary, occupation and employer. After the auction, include this information, plus an election designation and cumulative total for that election, on Attachment Au.

Finish filling in the information for each item by figuring out the difference between the item's fair market value and the sale price. If the sale price exceeds the fair market value, the buyer made a contribution in the amount of the difference. Add this figure to previous contributions from the buyer for the primary or general, as applicable, to arrive at a new cumulative total for the buyer. Again, if the buyer is an individual who has contributed more than \$100 to the campaign (considering all primary and general contributions), his or her occupation and employer name and location must be provided.

If the sale price was less than or equal to the fair market value:

- no contribution was made by the buyer (This person may have an existing cumulative total to put on the form, however.) and
- reduce the donor's contribution amount so that it matches the sale price amount. (See Item #2 on the Auction Report example.)

Total up the "sale price" column. (This total should equal the amount of money generated by the auction for deposit into your bank account.) Enter the total received on line 1d of the C-3 report that corresponds with the deposit of this money.

AUCTION REPORT

Use this form as an attachment to C3 to report items donated and sold at auctions. Please see the reverse for an example of a report.

ATTACHMENT TO
C3

Au

(1/02)

Page 1

Candidate or Committee Name (Do not abbreviate. Use full name.)

John A. "Jack" Jones, Jr.

Date Auction was held

5/17/20XX

Item No. Description	Name and Address	P I	R E N	Fair Market Value	Sale Price	Amount Over Fair Market Value	Aggregate Total*
#1 5 Tan Sessions	Contributor Year-Round Tanning 483 Benjamin Ave, Anyplace, 98000 *Occupation and Employer:	X		50			50
	Buyer Patty Hammer 85 Oak Street, Anyplace, WA 98001 *Occupation and Employer:	X			60	10	10
#2 Beach Cabin	Contributor John Doe 200 A Street, Seattle, 98101 *Occupation and Employer: Plumber, ABC Plumbing, Anyplace, 98001	X		100			75
	Buyer Mary Smith 400 B Street, Tacoma, 98402 *Occupation and Employer:				75	0	0
#3 Dinner for 2	Contributor The Steak House 201 Anyplace Mall, Anyplace, 98000 *Occupation and Employer:	X		40			40
	Buyer David Adams PO Box 22, Anytown, 98003 *Occupation and Employer:	X			40	0	0
#4 Microwave Oven	Contributor Constance North 1212 Boulevard Avenue, Seattle, 98102 *Occupation and Employer: Retired	X		200			300
	Buyer B.M. Carpenter 1125 Apple Ave, Olympia, 98500 *Occupation and Employer:	X			250	50	50

*If an individual – whether a contributor or buyer – has given more than \$100 in the aggregate to the campaign, show his or her occupation and the name, city & state of his or her employer.

Cash receipts, this page

Total, sale price column

425

Total from attached pages

500

Total cash receipts

Put this amount in part 1d of C3 report

925

I certify that the information herein is true, correct and complete to the best of my knowledge.

Treasurer's signature

Date

5/17/20XX

The C-3 Report

Listed above are directions for how to complete the two possible attachments to the C-3 (Schedule L and Attachment Au). Once you've filled out any of these that must, if they apply, accompany a C-3, it's time to move on to the report itself.

Fill out a C-3 report for each bank deposit made, showing the sources of the money being deposited. If the candidate is running in a regular primary or general election (as opposed to a special election), prior to June 1, file C-3 reports with C-4 reports. Beginning with June 1, file C-3 reports weekly on Mondays for all deposits made during the previous 7 days. Candidates running in special elections should contact PDC for filing dates.

Listed below are the steps for completing the C-3.

Give the candidate's name, full mailing address and the office being sought.

<u>Line No.</u>	<u>Description of Entry</u>
-----------------	-----------------------------

- | | |
|----|--|
| 1a | Include the amount of any contributions being deposited that came from unknown sources. (Unidentified contributions received in conjunction with a low-cost fund raiser are reported as a lump-sum amount in Part 2). Give the total of anonymous contributions received since the campaign began. |
|----|--|

Remember, the law allows you to accept, for each calendar year or portion thereof the campaign is in operation, a maximum of \$300 in anonymous contributions, or 1% of contributions received during the calendar year, whichever is more. If you exceed this limit, send a check to PDC (payable to the State Treasurer) in the amount of the excess. It will be deposited into the state's general fund. As part of your C-4 report, reduce both contributions and expenditures by the amount of the excess in Parts 1 & 2 of the Schedule C. (You will also adjust your aggregate total for anonymous money in your records.)

- | | |
|----|--|
| 1b | Show the amount of the candidate's personal funds that are being deposited into the campaign account. These contributions are not eligible for refund. Include <u>loans</u> from the candidate on line 1c. |
| 1c | Show the total amount of loans from the candidate and others being deposited. Attach a Sch. L giving the details of each loan deposited. |
| 1d | If you are depositing any interest earned on the investment of campaign dollars, refunds from vendors, auction receipts or other miscellaneous receipts, show the combined total from these sources. Attachment Au and written explanation of other funds included on line 1d must accompany the C-3. Monies raised at low-cost fund raiser auctions should not be shown on line 1d, but rather should appear as a separate entry in Part 2. |
| 1e | If you are depositing funds from contributors who have given \$25 or less in the aggregate, show the combined total received from these contributors. Also state the number of contributors whose donations are being included in this total. These are the small contributors whose names are kept on a separate, private list. (Many treasurers find it easier to give the name and address of all contributors in Part 2, regardless of how much has been donated, and to leave line 1e blank.) Low-Cost Fund Raiser monies are reported as a lump sum in Part 2 and are not included on line 1e. |
| 2 | When the total amount donated by a contributor is over \$25 in the aggregate, even if a very small amount is given as part of this deposit, show the date of the new contribution and the contributor's name and address, put an X in either the PRI or GEN box (depending on which election the contribution is intended for), show the amount given this time and the aggregate total <u>for the election designated.</u> |

If the contributor is an individual who has given more than \$100 in the aggregate since the beginning of the campaign, including both primary and general contributions, identify that contributor's employer by name, city and state and also give the contributor's occupation. **Once an individual gives over \$100, occupation and employer information will appear on every report showing additional contributions from him or her.**

When the C-3 report is more than one page, use the C-3 continuation sheet for pages 2 and beyond.

- 3 Add up the amounts listed on the C-3 report, including the amounts shown in Part 1. The total should equal the amount being deposited.

At the bottom, supply the date the deposit was made and the treasurer's daytime phone number. **Be sure the report is signed by the treasurer, deputy treasurer or candidate and dated. A C-3 report is required for each bank deposit.**

Study the example on the next page. It will show you how to report contributions received, including those generated through Qualifying Low-Cost Fund Raisers.

CASH RECEIPTS MONETARY CONTRIBUTIONS

C3

(1/02)

OFFICE USE

Candidate or Committee Name (Do not abbreviate. Use full name.)

John A. "Jack" Jones, Jr. (Jones for Senate)

Mailing Address

123 Miller Way

City

Anyplace WA

Zip + 4

98000

Office Sought (candidates)

State Senate

Election Date

Nov 6, 2012

1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

Date Received		Amount	Total
5/14/2010	a. Anonymous	\$ 34.12	\$ 84.12
5/14/2010	b. Candidate's personal funds deposited in the bank (include candidate loans in 1c).....	500.00	564.80
5/15/2010	c. Loans, notes, security agreements. Attach Schedule L	4,700.00	
5/17/2010	d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation	1,225.00	
5/15/2010	e. Small contributions \$25.00 or less not itemized and number of persons giving 4 (persons).....	80.00	

2. CONTRIBUTIONS OVER \$25.00

Date Received	Contributor's Name, Address, City, State, Zip	Contributions of more than \$100:* Employer's Name, City and State	P R I	G E N	Amount	Aggregate* Total
5/15/2010	Receipts from low-cost fundraiser (neighborhood pot luck)		X		\$ 200	\$
		Occupation				
5/15/2010	Maureen Kennedy PO Box 711 Olympia, WA 98500		X		20	70
		Occupation				
5/15/2010	Sally Perkins 200 140 th Avenue South Beachview, WA 98001	Chamber of Commerce Bestview, WA	X		75	150
		Occupation Office Manager				
5/16/2010	XYZ Inc. 400 B Avenue Bend, WA 98005		X		100	400
		Occupation				
5/16/2010	XYZ Inc. (Same as above)			X	100	100
		Occupation				
		total			7,034.12	
	<input type="checkbox"/> Check here if additional pages are attached	Sub- Amount from attached pages			0	

*See reverse
for details.

3. TOTAL FUNDS RECEIVED AND DEPOSITED OR CREDITED TO ACCOUNT

Sum of parts 1 and 2 above. Enter this amount in line 1, Schedule A to C4.

7,034.12

4. Date of Deposit

5/19/2010

Treasurer's Daytime Telephone No.: (509) 555-1212

I certify that this report is true and complete to the best of my
knowledge

Treasurer's Signature

Date

6/10/2010

Cash Receipts and Expenditures [Schedule A, Part 1]

The date and total of each deposit made during a C-4 reporting period must be shown in Part 1 of Schedule A, in addition to any interest earned on the campaign account (since this interest automatically appears in the account without being deposited by the campaign). This is the mechanism for building new contributions and interest receipts into the C-4 summary report.

In order that you don't overlook including any deposits on the Schedule A, PDC recommends you put the information on the schedule as soon as the deposit is made, or keep a file of all the C-3 reports that need to be included on your next C-4 report. Note that after June 1, this file will contain copies of C-3 reports, since the originals will have been sent to PDC, weekly, on Mondays. **Do NOT send duplicates of your C-3 reports with the C-4.**

CASH RECEIPTS AND EXPENDITURE

SCHEDULE
to C4

A
(1/04)

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

John A. "Jack" Jones, Jr. (Jones for Senate)

6/10/20XX

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

Date of deposit	Amount	Date of deposit	Amount	Date of deposit	Amount	Total deposits
5/12/20XX	1,925.00	5/26/20XX	2,872.80			\$
5/19/20XX	7,034.12	5/31/20XX	8.18			

2. TOTAL CASH RECEIPTS

Enter also on line 2 of C4

\$ 11,840.10

In-Kind Contributions [Schedule B, Part 1 (C-4)]

Monetary contributions are not the only things of value received by campaigns. Frequently, contributors will donate goods and services in lieu of or in addition to making monetary donations. Generally, in-kind contributions are both reportable on your disclosure reports and also count against the contributor's limit to your campaign.

Incidental in-kind contributions -- those in-kind donations that either singly or in conjunction with other in-kinds from the same contributor do not exceed \$25 in value during the election cycle -- do not need to be reported or added into the contributor's contribution total. This means that someone could allow the campaign to use his or her conference room occasionally or make a couple of local calls on the contributor's telephone without incurring a reportable contribution. Obviously, since little things have a way of adding up, if someone frequently provides the campaign with small items or services, a record had best be kept so that it will be apparent if the \$25 threshold is reached.

Another example of an incidental in-kind contribution that is not reportable is when an association merely relays to its members a request for contributions from a candidate or political committee. The association could not, however, collect contributions from any source -- including its members -- and pass those contributions along to the intended recipient. Also, if an association does more than relay a request for a contribution, or put a candidate in touch with a potential contributor, the association will be seen as exercising direction or control over the ensuing contribution and its value will be fully attributed to the association as well as the person supplying the contribution.

Associations and other entities may arrange to have their members provide volunteer services to a candidate or political committee without an in-kind contribution occurring so long as the coordination involved in this activity only results in incidental expenditures to the association as discussed above.

See page 24 for a discussion on other activities that are not contributions. Common examples of in-kind

contributions that are reportable include donated office space, free or reduced cost printing or polling services, training of campaign workers or managers or help with preparing political advertising at no cost to the campaign or at less than fair market value. **Remember, whenever the candidate or campaign receives an item or service that meets the definition of contribution and is not incidental (as discussed above), and the campaign does not pay full value for the item or service, a reportable in-kind contribution has been received.**

Also, when a candidate or another person makes out-of-pocket campaign expenditures that are not reimbursed by the campaign within 21 days of the expense, those expenditures constitute in-kind contributions.

As discussed under "Volunteer Services," the personal services of campaign volunteers who perform common volunteer functions are not reportable as in-kind contributions so long as the volunteers are not paid by anyone for the campaign work they do. However, if an individual assists the campaign while on the company payroll or if he or she is otherwise compensated by his or her employer for the campaign work performed, that person's employer is making an in-kind contribution to the campaign. The same would be true if a union or some other person or entity were paying an individual for the time or the services rendered to a campaign. The source of the payment would be making an in-kind contribution to the campaign.

A candidate's time spent on his or her own campaign is not reported as a contribution unless an employer gives a candidate time off with pay to campaign, or some other person compensates the candidate for the time spent on the campaign. If this happens, the employer (or source of the compensation) is making a reportable in-kind contribution. However, an employer does not make a contribution if an employee who happens to be a candidate or campaign staff member takes earned, paid leave time to campaign.

In-kind donations that are not incidental must be fully reported in Part 1 of Schedule B to the C-4 with the following details:

- the date the contribution was received;
- the name and full address of the contributor;
- a brief description of the contribution;
- its fair market value;
- the cumulative total this contributor has given for the primary or general election, whichever applies;
- a designation whether this contribution is for the primary or general election; and
- if the contributor is an individual who has cumulatively given more than \$100 to the campaign, including both primary and general contributions, identify the individual's employer (by name, city and state) and occupation.

Valuing In-Kind Contributions

The value of an in-kind contribution is determined by the circumstances involved. For example, if a contributor

- buys supplies or equipment for the campaign, the in-kind contribution equals the amount spent on the purchase;
- takes out an advertisement supporting a candidate (after collaborating with or receiving approval from the candidate or the candidate's campaign or agent), the in-kind contribution equals the cost of the ad;
- loans your campaign the use of a computer or copier, the in-kind equals the cost of leasing a similar piece of equipment for the period of time in question;
- prints campaign literature at a cost below the printer's normal charge for a similar job, the in-kind equals the amount of the discount;
- provides food or beverages for a campaign event, the in-kind contribution equals the amount spent on the items provided or, in the case of a business that already has the items on hand, the amount that business would normally expect to receive from the sale of the items.

The overriding principle governing the value of an in-kind contribution is "the amount a well-informed buyer or lessee, willing but not obligated to buy or lease, would pay; and the amount a well-informed seller, or lessor, willing but not obligated to sell or lease, would accept."

Generally, this means the amount the contributor would ordinarily expect to receive if someone were paying him or her to provide the item or service. For example, if a candidate is given materials by a local retail hardware store for the construction of yard signs, an in-kind contribution has been made equal to the normal retail selling price of the materials. However, if the business donating the materials is a wholesale supplier, the in-kind contribution is equal to the amount this wholesaler charges its customers for the materials.

Once you total up the value of the in-kind contributions received during the reporting period, that total will be entered on lines 3 and 12 of the C-4. **(Note: These contributions are also shown on line 12 as in-kind expenditures in order to balance your books.)**

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

SCHEDULE
TO C4

B

(1/04)

Candidate or Committee Name (Do not abbreviate. Use full name.)

John A. "Jack" Jones, Jr. (Jones for Senate)

Report Date

6/10/20XX

1. IN KIND CONTRIBUTIONS RECEIVED (goods, services, discounts, etc.)

Date Received	Contributor's Name and Address	Description of Contribution	Fair Market Value	Aggregate Total	P R I	G E N	If more than \$100, Employer Name, City, State & Occup.
5/9/20XX	Jack Jones 123 Miller Way Anyplace, WA	Campaign travel & Meals for self	64.85	5,564.85			
							Occupation
5/12/20XX	AAA Print Shop 30 Main Street Anyplace, WA 98000	Discount on Printing letter- Head & envelopes	112.40	112.40	X		
							Occupation
5/30/20XX	Grassland County Independent Party PO Box 1080, Anyplace	Mailed 10,000 Brochures with Bulk permit	1,800.00				
							Occupation
	<input type="checkbox"/> Check here if additional pages are attached.	TOTAL (Enter also on line 3 and line 12 of C4)	1,977.25				

Pledges [Schedule B, Part 2 (C-4)]

A pledge is a promise of a future contribution. Pledges of \$100 or more are reportable in Part 2 of Schedule B. A pledge may be written or oral and for cash or in-kind contributions. Pledges are built into a contributor's aggregate contribution total. Pledges must be made for a specific amount, with every intention of the giver to pay the stated amount in its entirety, and that amount, when combined with other contributions from that contributor, may not exceed the contributor's limit.

All primary election pledges must be redeemed on or before the day of the primary election, unless the pledge recipient lost the primary election and has debt to retire. Candidates who lose the primary election and have debt can redeem a primary election pledge within 30 days after the date of the primary.

A pledge made with respect to the general election may not be made or redeemed after December 31 of that election year. As is discussed on page 6, **pledges and the payment of any pledges are subject to the legislative session freeze restriction and the "last minute," 21-day pre-general election restriction.**

When payment on a pledge is received, report cash contributions on a C-3 and in-kind contributions on Schedule B. Be sure to adjust your contribution records to show receipt of the pledged money (and to reduce the amount of the pledge by the payment received).

A line of credit constitutes a pledge of a loan. Report the total amount of the line of credit as a pledge. As funds are drawn or the credit is used, report the amount as a loan on the C-3 and Part 1 of the Schedule L. Reduce the outstanding pledge by the same amount. Payments to the lender (person who extended the credit) are reported as loan repayments on Schedule A and Schedule L, Part 2.

If you have new or existing pledges, each time you file a C-4, you'll complete Part 2 of Schedule B and include the form as part of your C-4 filing. You'll show all new pledges received during the reporting period as well as the total amount of pledges previously reported but still unpaid. Don't include any pledges that are considered uncollectible.

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

SCHEDULE
TO C4

B

(1/04)

Candidate or Committee Name (Do not abbreviate. Use full name.)

John A. "Jack" Jones, Jr. (Jones for Senate)

Report Date

6/10/20XX

2. PLEDGES RECEIVED BUT NOT YET PAID. List each pledge of \$100.00 or more.

Date Notified of Pledge	Name and Address of Pledge Maker	Fair Market Value	Aggregate Total	P R I	G E N	If more than \$100, Employer Name, City, State & Occup.
5/20/20XX	Janice Smith 1845 State Street Anyplace, WA	150.00	150.00	X		Best Used Cars Anyplace, WA Occupation Sales Rep.
5/29/20XX	ABC Construction 7263 Birch Street Bestview, WA (materials for signs)	250.00	300.00	X		
	<input type="checkbox"/> Check here if additional pages are attached.	TOTAL (include new pledges above and all other outstanding pledges.) (Enter also on line 9 of C4) \$ 400.00				Occupation

Expenditures and Debts

The law also requires all campaign expenditures, including debts, to be reported. The information in this section will assist you in meeting this obligation.

Definition

The term "expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value. It includes a contract, promise or agreement, whether or not legally enforceable, to make an expenditure.

The term "expenditure" also includes a promise to pay, a payment or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. Agreements to make expenditures, contracts, and promises to pay are reported as estimated obligations until actual payment is made.

Deductions of bank service charges are shown as expenditures in order that the campaign books match the checking account balance.

Loan repayments are shown as expenditures even though they are actually reductions in the amount contributed by the person making the campaign loan. These payments are reported in Part 2 of Schedule L. The amount of the principal being repaid also goes on lines 5 and 14 of the C-4 report, and the full amount of the payment (principal plus interest) appears on Schedule A.

All campaign-related expenditures made by the candidate or the candidate's committee (including any filing fee) must be reported. Expenditures of \$50 or less need not be itemized, but may be lumped together and reported as a combined sum. Campaign volunteers may each spend as much as \$50 of their own funds for

unreportable incidental expenses. However, if the campaign reimburses volunteers for expenses, a reportable expenditure has been made. (When the campaign reimburses a worker for expenses, that payment will appear on the Schedule A and a list itemizing the expenses must be attached to that C-4 report.)

Transfers between campaign bank accounts (from checking to savings, for example) are not considered expenditures, nor are purchases of bonds or certificates of deposit. Notify PDC in writing if you invest campaign funds. See page 59 for more information on Investment of Campaign Funds.

Permissible Expenditures

Campaign funds may only be used for expenditures that are directly related to the candidate's campaign. Although by no means a complete list of allowable campaign expenses, the following will give you some idea of what types of expenses are permitted:

- Campaign employees and consultants;
- Campaign headquarters, office equipment and supplies;
- Campaign fund raising activities (including candidate's portion of joint fund raising expenditures shared with other candidates);
- Filing fees paid when candidate files his or her Declaration of Candidacy with the county auditor or the Secretary of State;
- Political advertising expenses (including advertising that immediately follows an election thanking contributors and voters for their support);
- Lists of voters in the candidate's district;
- Lists of potential contributors;
- Polling and voter identification expenses;
- Payments to accountants, bookkeepers, lawyers, computer consultants and the like for assistance in complying with PDC and election laws (note that this type of assistance may be provided free to the campaign without a contribution ensuing); and
- Any other expense that is directly related to the candidate's election campaign.

Further, although the law prohibits using campaign funds to make a contribution to another candidate or political committee (other than using surplus funds to give to a political party or caucus committee), it is OK for a candidate to use his or her campaign money to attend an event held by another candidate, a political party or committee so long as attending the event is directly related to the candidate's own campaign and the candidate's campaign only pays the per-person cost of consumables provided at the event. That is, the candidate uses his or her campaign money only to pay for his or her share of the actual cost of food, beverages, preparation, catering and entertainment furnished at the event. If the candidate wishes to pay the full admission charge, he or she must use his or her personal funds to do so.

Remember that any expenditure of more than \$50 in currency (actual cash dollars) may not be made unless a written receipt signed by the vendor (or the recipient of the money) and the candidate or treasurer is made part of your committee's financial records.

Also keep in mind that expenditures may only be made, incurred or authorized by the candidate or the campaign treasurer.

Itemizing Expenses

Only campaign expenses that exceed \$50 need to be itemized on the Schedule A (listed by date, vendor, code or purpose and amount). Those expenses that are \$50 or less may be lumped together on the first line of Part 3 of the Schedule A. Many campaigns choose to itemize all expenses rather than going through the trouble of identifying and lumping together individual expenses of \$50 or less. Listing small expenditures is also helpful when you want to check your PDC reports against other financial records.

Because of their nominal amount, petty cash expenditures are usually reported as expenditures of \$50 or less. Whatever their amount, include petty cash expenses or their total on the Schedule A.

With three exceptions, every expenditure of campaign funds is accounted for on the Schedule A, even though it may not be itemized on the report. The exceptions are 1) checks cut to establish or replenish petty cash funds, because petty cash expenses are reported as they occur; 2) campaign fund raiser expenditures for consumables, when the campaign is accounting for the cost of these consumables by reducing the amount of contributions reported; and 3) when the campaign participates in joint fund raising activity as described on page 64.

Since much of the Schedule A is devoted to explanatory material, PDC has developed an Expenditure Continuation Sheet. Each C-4 report will include one Schedule A and as many continuation sheets as necessary to disclose all campaign expenditures made during the time frame covered by the report.

Coding Expenditures

In an effort to streamline reporting, PDC has developed expenditure codes for use in describing campaign expenses on Schedule A. Treasurers who choose to use the codes to describe their expenses will save themselves time. Codes also will aid computerized campaigns in determining whether actual expenses are in line with budget projections for that stage of the campaign. Nevertheless, code use is optional and treasurers may continue to supply a more lengthy description in lieu of designating a code, or you may complete both the code and purpose columns.

The codes have been designed to accommodate reporting of many typical campaign expenditures. However, if your campaign makes an expenditure that is not accurately described by one of the codes (e.g., loan repayments), give a brief yet specific description in the Purpose of Expense column on the Schedule A and forego specifying an expenditure code. Code definitions and uses are included on the reverse of Schedules A and B.

Expenditures Needing Fuller Explanations

The following kinds of expenditures require that special information be supplied, whether or not you are coding expenditures:

Campaign Consultants, Advertising Agencies: When reporting payments to advertising agencies, public relations firms and other campaign consultants, supply all the information required by the Schedule A, including the code classification unless more than one applies, and attach a statement from the ad agency, PR firm or consultant that fully explains what services were performed and the cost of those services. You will need to elaborate on the information shown on the statement if it does not fully and clearly explain the services rendered and itemize the cost of each service (including the names of vendors used and amounts paid to them). For example, the information attached to the Schedule A disclosing a payment to a campaign consultant could look like this:

08/14/XX	Jones Consulting, Inc.	\$4,000
	for direct mail piece	
	ABC Printing Co.	\$2,000
	US Post Office	1,200
	Jones Consulting	800

Media Buys: Expenditures for media buys must be broken down by date, amount paid, run dates of the ad, and each media outlet (newspaper, radio or TV station, billboard company, etc.).

Credit Cards: When reporting payments to credit card companies, supply all the information required by the Schedule A, including the code classification unless more than one applies, and attach an itemized list of each expense contained in the credit card bill, giving the date, vendor, purpose and amount of each expense.

Travel: When reporting direct payments to vendors for campaign-related travel expenses incurred by the candidate or a campaign worker, include on your Schedule A the date of payment, the vendor's identity, a "T" for travel expenses in the code column, the traveler's name in the Purpose of Expense block, and the amount spent.

Reimbursements: When reporting payments to the candidate or another campaign staff member for reimbursement of out-of-pocket campaign expenses, supply all the information required by the Schedule A (including an expenditure code, unless more than one applies), **and attach a list itemizing each expense included in the total or attach copies of receipts that support each reimbursement. To itemize an**

expense, show the date it was made, the vendor's name and address, the purpose and amount.
(Instead of attaching an itemization, an electronic filer itemizes by entering separate expense items.)

Replacement of Job Earnings: When reporting payments to the candidate or another campaign staff member to offset salaries or wages lost as a result of campaigning, supply all the information required by the Schedule A, and attach an explanation supporting the level of earnings paid.

Surplus Funds: When reporting a transfer of surplus campaign funds to a bona fide political party or caucus political committee, supply all the information required by the Schedule A, including a "C" expenditure code and a note in the Purpose block that the transaction is a disposal of surplus funds.

Schedule A Example (Parts 3 & 4)

An example of a completed Schedule A (Parts 3 & 4) is located on the next page. The information below explains each of the entries on the form.

<u>Entry No.</u>	<u>Description of Entry</u>
1	Expenditures of \$50 or less.
2	Rental of campaign headquarters, 5/1-5/31/0X, \$500.
3	Air time buy from KVAS-TV, \$745.
4	Billboard space bought from ABC Sign Co., \$450.
5	When expenditures are made jointly with other candidates or committees, each committee reports its share of the expenditure. For instance, if two candidates equally share the cost of newspaper ads, each reports one-half of the total charges.
6	Show the total amount of each payment to advertising agencies and public relations firms. Attach the statement from the agency or firm breaking down the cost of each service rendered and the amounts paid other vendors.
7	If your committee makes a payment to another candidate or political committee for an item or service you received from that committee, show that expenditure and explain what services were rendered or item was purchased (thus making it clear that an illegal contribution was not made). The payment must equal the item or service's fair market value.
8	The payment of any campaign debt is an expenditure. If the expense was previously shown as an "order placed but not paid" on Schedule B (because it was over \$250 or outstanding for over 30 days and over \$50), be sure to remove it from your list of debts before completing your new Schedule B.
9	Payments to credit card companies must be accompanied by an itemization of each expense charged. If the statement from the company does not provide this information, attach a more detailed description of each purchase.
10	Reimburse candidate for out-of-pocket campaign expenses. (Attach itemized list of expenses or copies of receipts.)
11	Bank service charges need to be shown as campaign expenditures.
12	When campaign loans are repaid, list the repayment in Part 2 of Schedule L as well as on Schedule A. The amount of the principal being repaid will appear on the C-4 as well. Follow the directions provided in Part 2 of Schedule L. Also, be sure to reduce the contributor's cumulative total shown in your records by the amount repaid.

Use the Expenditures Continuation Sheet if more expenditures are made than will fit on the Schedule A. Show the total from attached pages in the space provided. Compute your total campaign expenditures for this reporting period (sum of all figures in the Amount column) and enter this total on line 4 of the Schedule A; also show this amount on line 11 of the C-4 report.

CASH RECEIPTS AND EXPENDITURE

SCHEDULE
to C4

A
(1/04)

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

John A. "Jack" Jones, Jr. (Jones for Senate)

6/10/20XX

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
N/A	Expenses of \$50 or less	N/A	N/A	65.84
5/1/20XX	2 XXX Reality 898 Main Street Anyplace	G		\$ 500.00
5/1/20XX	3 KWAS-TV PO Box 80 Anyplace	B		745.00
5/3/20XX	4 ABC Sign 200 River Road Olympia	O		450.00
5/7/20XX	5 Daily News 500 Fleet Street Bestview	N	Sponsored jointly with Senator Alice Smith	175.00
5/14/20XX	6 Success Agency Tower Building Spokane		Copy of invoice attached	500.00
5/18/20XX	7 Independent Party PO Box 1892 Tacoma	G	Payment for campaign school	135.00
5/28/20XX	8 Oak Creek Mall Anyplace, WA	G		23.00

Total from attached pages \$ 810.12

4. TOTAL CASH EXPENDITURES

Enter also on line 11 of C4 \$ 3,403.96

EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

John A. "Jack" Jones, Jr. (Jones for Senate)

6/10/20XX

Date Paid	Vendor or Recipient (Name and Address)	Code	Purpose of Expense and/or Description	Amount
5/28/20XX	9 Worldwide Credit Card Sears Tower Chicago, IL		See attached list.	\$ 645.00
5/31/20XX	10 Jack Jones		Reimbursement to candidate; See attached list	42.12
5/31/20XX	11 Anyplace Savings & Loan Oak Creek Mall	G		23.00
5/31/20XX	12 Betty Morgan 84 4 th Street Podunk, WA		Loan Repayment	100.00

Outstanding Debts [Schedule B, Part 3 (C-4)]

Since one of the purposes of campaign disclosure reporting is to show how the campaign dollars are spent, your reports would be incomplete without including those debts the campaign is obligated to pay but, for whatever reason, has not as yet.

In Part 3 of Schedule B, you'll list each order placed (but not paid), debt or other obligation **(except loans)** that has an actual or estimated cost of over \$250. You'll also include any other debt **(except loans)** if its actual or estimated cost is over \$50 and the debt has been outstanding for more than 30 days.

A promise or promise to pay for goods or services or any offer to purchase advertising space, broadcast time or other advertising related product or service is considered an order placed and must be reported on the Schedule B.

On each Schedule B filed, include all debts meeting the criteria mentioned above that have been acquired since the beginning of the campaign (not simply those accumulated during the reporting period). For each such debt, show the date the order was placed or the obligation entered into, the vendor's name and address, the amount owed and the expenditure code that describes the debt or a description of it. Estimate the cost of an order placed if you have not yet been billed for it. Include the total of these outstanding debts (along with the total of loans you owe) on line 19 of the C-4 report.

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS		SCHEDULE TO C4		<div style="font-size: 48pt; font-weight: bold; text-align: center;">B</div> <div style="text-align: center; font-size: 12pt;">(1/04)</div>	
Candidate or Committee Name (Do not abbreviate. Use full name.) John A. "Jack" Jones, Jr. (Jones for Senate)				Report Date 6/10/20XX	
3. ORDERS PLACED, DEBTS, OBLIGATIONS. If debt is owed to a candidate, campaign worker, PR firm, advertising agency, consultant or credit card company provide a detailed breakdown of expenses included in the debt. (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)					
Expenditure Date	Vendor's/Recipient's Name and Address	Amount Owed	Code	OR Description of Obligation	
3/15/20XX	Success Agency Tower Building, Spokane (Agree to pay \$10,000 if ballot measure passes)	\$ 10,000.00	M	See attached invoice	
4/20/20XX	Rent-A-Wreck 801 A Street, Anyplace	\$ 150.00	G		
5/10/20XX	Success Agency Tower Building, Spokane	\$ 500.00			
		\$			
		\$			
		\$			
		\$			
<input type="checkbox"/> Check here if additional pages are attached.		TOTAL (Include in line 19 of C4)		\$ 10,650.00	

CODE DEFINITIONS ON NEXT PAGE

Loans [Schedule L, Parts 2, 3 & 4 (C-4)]

Each time a loan is received, Part 1 of Schedule L is completed and the schedule is attached to the C-3 showing the loan's deposit.

Complete and attach Schedule L to each C-4 report as long as any campaign loans remain outstanding or there is any loan repayment or forgiveness activity to report. Show each loan payment made during the reporting period (Part 2), each loan forgiven or partially forgiven during the reporting period (Part 3) and recap the details concerning each loan received since the beginning of the campaign that still has a balance due (Part 4).

Loan Payments [Schedule L, Part 2]

If during the reporting period a full or partial payment against a loan received was made, include that payment in Part 2 of Schedule L.

When completing this portion of Schedule L, show

- the date payment was made;
- the lender's name and address;
- the amount of principal repaid;
- the amount of interest paid,
- the total amount of the payment, and
- the balance still owed on the loan.

Add up the principal repayments made during the period and put that total on lines 5 and 14 of the C-4 report. Also tally up the separate total payments (if there was more than one) and list that combined total as an expenditure on the Schedule A. (If you prefer, you may list each loan repayment separately on the Schedule A.) In your records, be sure to reduce the amount of the lender's cumulative contribution total by the amount of the principal repaid.

Loans Forgiven [Schedule L, Part 3]

Occasionally, a lender will decide that the campaign doesn't have to repay a loan (particularly if it's the candidate who made the loan). This fact needs to be reported in Part 3 of Schedule L.

If a loan is forgiven, specify

- the date forgiven;
- the lender's name and address;
- the original amount of the loan;
- the total principal repaid to date on this loan;
- the amount forgiven, and
- the balance owed (if "none," so state).

This forgiveness information is reflected on line 19 of the C-4 as part of the adjusted campaign liabilities amount. In addition, the campaign's contributor records should be altered to show that the amount forgiven is now a regular contribution, not a loan. In addition, when re-doing Part 4, be sure to exclude any loans that have been entirely forgiven and to adjust those that have been partially forgiven.

Loans Still Owed [Schedule L, Part 4]

In Part 4 of Schedule L, show each loan received from the beginning of your current campaign that still has a balance due. In this way, the public can more easily determine the extent of outstanding loan liabilities.

For each loan on which your campaign still owes money, list

- the date the loan was originally received;
- the lender's name and address;
- the original amount of the loan;
- the total amount of the principal repaid or forgiven, and
- the balance remaining to be paid.

Add together the amounts still owed on these outstanding loans and put that subtotal on the line provided. List the total amounts of any new loans that were received during this reporting period, itemized in Part 1 and reported on an accompanying C-3, and place that figure on the line provided. Add these two subtotals together to arrive at the total loans owed. Include this total, along with your outstanding debts from Part 3 of Schedule B, on line 19 of the C-4 report.

See Schedule L example on the next page.

LOANS

See Instructions and Example on reverse

SCHEDULE
TO C3
OR C4

L
(1/02)

Candidate or Committee Name

John A. "Jack" Jones, Jr. (Jones for Senate)

Report Date

6/10/20XX

1. MONETARY OR IN-KIND LOAN RECEIVED. Loans are considered contributions and are subject to any applicable limit.

Date Loaned	Lender's Name and Address	P R I	G E N	Amount of Loan	Annual Interest Rate	Repayment Schedule	Date Due
If monetary loan, also include this amount on line 1c, C3 report. If in-kind loan, itemize in Part 1 of Schedule B.				→	If Total Contributed is more than \$100, Show Lender's Occupation and Name, City & State of Employer		

Name and Address of Each Loan Endorser, Co-Signer	P R I	G E N	Amount Liab For (Same as Loan Amount)	Aggregate Total	If Total Contributed is more than \$100, Show Endorser's Occupation and Name, City, & State of Employer
<input type="checkbox"/> Continued on attached sheet					

2. LOAN PAYMENTS. Candidates may be repaid no more than amount loaned or permitted by WAC 390-05-400, whichever is less. See instruction manual.

Date Paid	Lender's Name and Address	Principal Paid	Interest Paid	Total Payment	Balance Owed
5/31/20XX	Betty Morgan 85 - 4th Street, Podunk	100.00	0.00	100.00	200.00
Total Principal Paid Enter also on lines 5 and 14, C-4 report		100.00	Total Payments Enter as an expenditure on Schedule A		
				100.00	

3. LOANS FORGIVEN.

Date	Lender's Name and Address	Original Amount	Principal Repaid	Amount Forgiven	Balance Owed
5/31/20XX	John A. Jones, Sr. 8620 Circle Court, Seattle 89000	500.00	0.00	300.00	200.00

4. LOANS STILL OWED. List each loan that has previously been reported and still has a balance due.

Date	Lender's Name and Address	Original Amount	Principal Repaid or Forgiven	Amount Owed
3/10/20XX	John A. Jones, Sr. 8620 Circle Court, Seattle 98000	500.00	300.00	200.00
4/28/20XX	Betty Morgan 85 - 4th Street, Podunk 98000	300.00	100.00	200.00
5/15/20XX	Jack A. Jones, Jr. 123 Miller, Anyplace 98000	4,700.00	0.00	4,700.00
Subtotal				5,100.00
New Loans Received (and listed in Item 1 above)				
Total Loans Owed Include in total on line 19, C-4 report				5,100.00

☐ Continued on attached sheet.

Corrections [Schedule C]

Schedule C is used to make adjustments to your C-4 totals. These corrections could be caused by mathematical errors, recording errors, receipt of a non-sufficient funds check, an expenditure payment error, receipt of refunds from vendors or a host of other circumstances.

Only amounts or entries already built into your C-4 totals can be corrected on a Schedule C. If a contribution or expenditure was left off an earlier filed C-3 or Schedules A or B, add it to the next filed report with an attached note explaining the circumstances surrounding the error.

Corrections to the contributions portion of the C-4 are made in Part 1, corrections to the expenditures section are made in Part 2, and refunds received on expenditures previously made to vendors are included in Part 3.

In Parts 1 and 2, when the amount originally reported was more than the true amount, the correction is shown as a minus (-); if the original amount was less than the true amount, the correction is shown as a plus (+).

Below is an explanation of the example found on the next page.

Example

Number	Description of Correction
--------	---------------------------

- | | |
|---|---|
| 1 | Error in recording amount received. |
| 2 | Non-sufficient funds check returned from bank. |
| 3 | Math error in computing total contributions. |
| 4 | Underestimated value of in-kind contribution. (Note: When adjusting in-kind contributions, you must also adjust in-kind expenditures. See example #7 on the next page.) |
| 5 | Refund a portion of contribution received from Sue Thomas. |
| 6 | Over-reported payment to party for services rendered. |
| 7 | Adjusting in-kind expenditures to match adjustment to in-kind contributions. |
| 8 | Adjustment to expenditures for refunded contribution to Sue Thomas. |
| 9 | Partial deposit returned from service provider. (This refund check must be deposited into the campaign account and reported on line 1d of a C-3 report.) |

Follow the directions of each section for transferring the adjusted amounts to the C-4 report. On that C-4, be sure to show whether any correction is a plus (+) or a minus (-).

E-filers change the original contribution or expenditure amount and file an amended report(s) instead of entering a correction.

Candidates filing paper reports enter corrections on the Schedule C.

CORRECTIONS

SCHEDULE
TO C4

C

Candidate or Committee Name (Do not abbreviate. Use full name.)

Date

John A. "Jack" Jones, Jr. (Jones for Senate)

6/10/20XX

1. CONTRIBUTIONS AND RECEIPTS (Include mathematical corrections.)

Date of Report	Contributor's Name or Description of Correction	Amount Reported	Corrected Amount	Difference (+ or -)
5/10/20XX	1 PSZ Company (recording error)	\$ 25.00	\$ 75.00	\$ +50.00
5/10/20XX	2 James P. Smith (NSF check)	\$ 25.00	\$ 0	\$ -25.00
5/10/20XX	3 Math error in computing total contributions	\$ 4,670.00	\$ 4,680.00	\$ +10.00
5/10/20XX	4 Morris Typing Service (undervalued service)	\$ 280.00	\$ 375.00	\$ +95.00
5/10/20XX	5 Refund contribution to Sue Thomas	\$ 50.00	\$ 25.00	\$ -25.00
Total corrections to contributions Enter on line 6 of C4. Show + or (-).				\$ +105.00

2. EXPENDITURES (Include mathematical corrections.)

Date of Report	Vendor's Name or Description of Correction	Amount Reported	Corrected Amount	Difference (+ or -)
5/10/20XX	6 Independent Party Central Committee (over-reported amount)	\$ 100.00	\$ 75.00	\$ -25.00
5/10/20XX	7 Morris Typing Service (adjust for increase in in-kind contribution)	\$ 280.00	\$ 375.00	\$ +95.00
5/10/20XX	8 Refund contribution to Sue Thomas	\$ 50.00	\$ 25.00	\$ -25.00
Total corrections to expenditures Enter on line 15 of C4. Show + or (-).				\$ +45.00

3. REFUNDS FROM VENDORS The below listed amounts have been received as refunds on expenditures previously reported. The refund has been deposited and reported on C3 report, Line 1d.

Date of Report	Source/Person Making Refund	Amount of Refund
5/17/20XX	9 NW Gas Company (refund on service deposit)	\$ 10.00
		\$
		\$
Total refunds Enter as (-) on line 6 and line 15 of C4.		\$ 10.00

The C-4 Report

Once the various schedules to the C-4 (Schedules A, B, C and L) are completed and the totals arrived at on those forms are transferred to the appropriate lines on the C-4, there is little remaining to fill in on the C-4, except the previous contribution total (line 1) and the previous expenditure total (line 10). After supplying those figures from your last report (or inserting "0" if this is your first report or inserting the balances being carried forward from a previous campaign), it's a matter of adding up the columns to compute new totals. See example on page 56.

Assuming there are no funds in a separate investment account, Line 18 should equal the sum of the checkbook balance and the petty cash balance as of the last day covered by the report.

If line 18 does not agree with the checkbook balance once it's combined with petty cash on hand, verify that all C-3 reports for the period were included in Part 1 of Schedule A, make sure each expenditure was included in Part 3 of Schedule A, and double check your arithmetic. If this doesn't work and you're off by a significant amount, you may be in for a time-consuming review of every schedule you're filing with the C-4. Call and speak with a PDC political finance specialist about your difficulties.

A C-4 report is not legally filed unless it is signed by the candidate and the campaign treasurer or filed electronically. So, be sure to take this requirement into account when planning travel schedules.

C-4 Due Dates

Candidates must file C-4 reports, including all schedules necessary to report financial activity for the period, according to the following schedule:

- With the C-1 registration statement, if contributions were received or expenditures made prior to registering as a candidate;
- The 10th of each month (covering the preceding calendar month or the period since the last C-4 report was filed) when there is over \$200 in contributions received or expenditures made;
- 21 and 7 days before the primary election*;
- September 10 (post primary);
- 21 and 7 days before the general election**;
- December 10; and
- January 10 (beginning in February, candidates who do not file final reports on January 10 will revert to the 10th-of-the-month reports when they have over \$200 in contributions or expenditures).

*Candidates whose names are NOT on the primary ballot or who are not running as a write-in candidate with respect to the primary election do not file these pre-primary reports; instead they continue filing monthly reports for June, July, and August – these reports are due on the 10th of the following month.

**Candidates who lose in the primary election and who are not running as a write-in candidate in the general election, do not file these pre-general reports. If the September 10 report is not the final report, continue to file 10th-of-the-month reports.

Reporting Period Close-Out Dates

Each financial transaction that occurs during a reporting period must be included on the C-4 report covering that period. Shown below are the C-4 due dates and the **earliest** time when books may be closed for that particular report.

With C-1 report (if pre-registration contributions were received or expenditures made); close books same day as report filed; include all activity to date.

10th-of-the-month reports (required if no 21-day or 7-day pre-election reports are due that month and contributions or expenditures exceeded \$200 since last C-4); close books as of last day of preceding month; include all activity since last C-4.

21-day pre-election report; close books no more than one business days before report due date; include all activity since last C-4.

7-day pre-election report; close books no more than one day before report due date; include all activity since last C-4.

Post-election 10th-of-the-following month report; close books as of last day of preceding month; include all activity since last C-4.

End of election cycle 10th-of-the-following month report; close books as of last day of preceding month; include all activity since last C-4.

SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4
(1/02)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

John A. "Jack" Jones, Jr. (Jones for Senate)

Mailing Address

123 Miller Way

City

Anyplace, WA

Zip + 4

98000-0000

Office Sought (Candidates)

State Senate

Election Date

Nov 4, 2009

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution supporting or opposing a state or local candidate?)

Report

From (last C-4)

To (end of period)

Final Report?

Period

5/1/20XX

5/31/20XX

Yes ☐ No ☒

RECEIPTS

*See reverse

Yes ☐

No ☐

1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet)	\$	6,244.29
2. Cash received (From line 2, Schedule A)	\$	11,840.10
3. In kind contributions received (From line 1, Schedule B).....		1,977.25
4. Total cash and in kind contributions received this period (Line 2 plus 3).....		13,817.35
5. Loan principal repayments made (From line 2, Schedule L).....		(100.00)
6. Corrections (From line 1 or 3, Schedule C)..... Show + or (-)		+ 95.00
7. Net adjustments this period (Combine line 5 & 6)..... Show + or (-)		(5.00)
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7)		20,056.64
9. Total pledge payments due (From line 2, Schedule B)	400.00	

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet)		3,085.14
11. Total cash expenditures (From line 4, Schedule A)		3,403.96
12. In kind expenditures (goods & services) (From line 1, Schedule B)		1,977.25
13. Total cash and in kind expenditures made this period (Line 11 plus line 12)		5,381.21
14. Loan principal repayments made (From line 2, Schedule L).....		(100.00)
15. Corrections (From line 2 or 3, Schedule C)..... Show + or (-)		+ 35.00
16. Net adjustments this period (Combine lines 14 & 15)..... Show + or (-)		(65.00)
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16).....		8,401.35

CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:
(509) 555-1212

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17)	11,655.29
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]	
19. Liabilities: (Sum of loans and debts owed)	(15,750.00)
20. Balance (Surplus or deficit) (Line 18 minus line 19)	(\$4,094.71)

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

6/10/20XX

Treasurer's Signature

Date

6/10/20XX

After the Election

Post-Election Reports

When filing the final report, indicate this fact in the space provided near the top of the C-4 report.

Candidates Who Lose in the Primary Election:

The C-4 report filed on September 10 is the final report if the campaign is concluded, there are no outstanding debts, loans or other obligations, surplus funds have been disposed of and the campaign has been dissolved.

If the campaign does not or cannot file a final report on September 10, continue to file C-4 reports until all debts and other obligations are satisfied. These reports are filed on the 10th of each month (covering the previous calendar month, or the period since the last report) whenever expenditures made total \$200 or more since the last C-4 report was filed. A final C-4 report is filed when all obligations are settled.

Donors may make primary election contributions to legislative and state executive office candidates up to 30 days after the date of the primary if the state office candidate loses in the primary and does not have enough money to pay primary debts. These contributions count against the contributor's overall primary limit.

(Therefore, be aware that if you lose in the primary, you will only have an additional 30 days to solicit contributions to satisfy primary debt. Contributions received in excess of the sum needed to satisfy outstanding primary debts must be returned to the original contributors.)

If the candidate has debts or loans outstanding after the 30 day post primary timeframe (but insufficient campaign funds to cover these obligations), there are only three options available for raising money.

- 1) The candidate may contribute personal funds to his or her campaign and use these funds to pay off the debts and loans. (These contributions are also reported on C-3 reports.)
- 2) The candidate could receive contributions from a bona fide political party or caucus political committee so long as the contributions are made by December 31 of that election year. These contributions count against the contributor's overall limit. (The contributions are also reported on C-3 reports.)
- 3) The candidate decides to seek another public office and files a C-1 registration statement with PDC to that effect. A final C-4 report for the campaign just concluded is filed. A beginning C-4 report for the new campaign is also filed, showing the debt being carried forward to this new campaign. It is conceivable that there could be a cash surplus that is also carried forward; but, it is more likely that all cash remaining from the earlier campaign has been used to reduce the amount of the debt left from that campaign. (In order to use this debt payment method, the person must be a legitimate candidate in the new election, and not simply re-registering as a candidate in order to collect money to pay off the old debts or loans. All contributions received count against the contributor's limit (if any) for the new campaign, even if they are spent on debts or loans from the previous campaign.)

If there is a surplus after the election, you may

- 1) dispose of the surplus in one or more of the other ways allowed by law (see page 9) and file a final C-4 report for the campaign;
- 2) move the money into a Surplus Funds Account and file a final C-4 report for the campaign;
- 3) let the funds lie dormant in the campaign account, but before receiving any contributions for a new campaign or making any expenditures for a new campaign, file a final report for the old campaign, file a new C-1 registration for the new campaign, and file a C-4 for the new campaign showing the surplus being carried forward. (See page 60 for an explanation of how to carry forward funds to the new campaign.)

Candidates in the General Election:

The C-4 report filed on January 11, 2011 is the final report if the campaign is concluded, there are no outstanding debts, loans or other obligations, surplus funds have been disposed of and the campaign has been dissolved.

If the campaign does not or cannot file a final report on January 10 after the general election, continue to file C-4 reports until all debts and other obligations are satisfied. These reports are filed on the 10th of each month (covering the previous calendar month, or the period since the last report) whenever expenditures made total \$200 or more since the last C-4 report was filed. If you have a campaign surplus, but make no new expenditures, no C-4 reports are required until campaign financial activity resumes. See Start-up of New Campaign section on page 60.

If the candidate has debts or loans outstanding after the election (but insufficient campaign funds after the election to cover these obligations), there are three options.

- 1) Through December 31 of the election year, contributors who have not given the maximum amount allowed may make contributions, so long as any post-election contributions when combined with those given earlier in the campaign do not exceed their limit. For most contributors that limit is \$800 for the general election. For the state committee of a bona fide political party and a caucus political committee, the limit is \$.80 times the number of registered voters in the jurisdiction. Party county central committees and the legislative district committee in the candidate's jurisdiction share a combined limit of \$.40 times the number of registered voters. (These contributions are also reported on a C-3.)
- 2) The candidate may contribute personal funds to his or her campaign and use these funds to pay off the debts and loans. (These contributions are also reported on a C-3 report.)
- 3) The candidate decides to seek another public office and files a C-1 registration statement with PDC to that effect. A final C-4 report for the campaign just concluded is filed. A beginning C-4 report for the new campaign is also filed, showing the debt being carried forward to this new campaign. It is conceivable that there could be a cash surplus that is also carried forward; but, it is more likely that all cash remaining from the earlier campaign has been used to reduce the amount of the debt left from that campaign. (In order to use this debt payment method, the person must be a legitimate candidate in the new election, and not simply re-registering as a candidate in order to collect money to pay off the old debts or loans. All contributions received count against the contributor's limit (if any) for the new campaign, even if they are spent on debts or loans from the previous campaign.)

Because of the way the law is worded, after December 31 of the election year, no one (except as discussed above) may give a candidate in that election money or anything else of value to pay off remaining campaign debts/loans. Nor may anyone else directly pay the persons who are owed the money, since those payments constitute in-kind contributions (and contributions have to be made on or before December 31). Nor may the person to whom the debt or loan is owed forgive the obligation, unless the person did so on or before December 31 (and the amount forgiven, when combined with other contributions from that contributor, does not exceed \$800 for state legislative candidates and \$1,600 for state executive office candidates).

If there is a surplus after the election, you may

- 1) move the money into a Surplus Funds Account and file an final C-4 report for the campaign;
- 2) dispose of the surplus in one or more of the other ways allowed by law (see page 9) and file a final C-4 report for the campaign;
- 3) let the funds lie dormant in the campaign account (or invest them as discussed below), but before receiving any contributions for a new campaign or making any expenditures for a new campaign, file a final report for the old campaign, file a new C-1 registration for the new campaign, and file a C-4 for the new campaign showing the surplus being carried forward. (See page 60 for an explanation of how to carry forward funds to the new campaign.)

Investment of Campaign Funds

Campaign funds or surplus funds may be invested in bonds, certificates, tax-exempt securities, savings accounts or other similar instruments in financial institutions or in mutual funds.

Financial institutions other than banks, savings and loan associations, and credit unions may NOT be used as the campaign depository into which contributions are deposited and out of which campaign expenditures are made. However, brokerage houses and other financial institutions may be used for investing campaign funds so long as the investment by the brokerage house or other institution is in the form of bonds, certificates, tax-exempt securities, and mutual funds.

If you invest campaign funds, take the following steps:

- Notify PDC by letter of the date, amount and the name of the financial institution where the surplus is invested. Do not report the investment as an expenditure on Schedule A or on the C-4 report.
- Deposit all interest, dividends or income earned by the investment into the investment account. Report this income as miscellaneous receipts on line 1d of the C-3 report.
- When the investment is terminated, re-deposit the principal plus the accrued earnings into the original campaign account. Notify PDC by letter that this re-deposit has been made. Do not report this transfer as a contribution on the C-3.
- Check with the IRS or your personal tax consultant about any tax liability that the investment may create.

Surplus Funds Accounts

Who Needs to Set Up a Surplus Funds Account. Any elected official who wants to spend surplus campaign funds for non-reimbursed public office related expenses must set up a Surplus Funds Account in order to make these types of expenditures.

The other six legally permissible options for disposing of surplus campaign funds found in RCW 42.17.095 and listed below in "Using the Account" may be engaged in either with a Surplus Funds Account or directly out of the old campaign account. However, the dangers of not setting up a separate Surplus Funds Account and simply disposing of surplus funds out of the now inactive campaign account are:

- 1) the funds can't be used for non-reimbursed public office related expenses; and
- 2) once new campaign monies are co-mingled with any existing surplus balance, or the surplus is carried forward to a new campaign, or expenditures triggering candidacy for a new campaign are made out of the account, none of the funds in the account is considered surplus and the money now may only be used for expenditures that are directly related to the new campaign.

Opening the Account. Take all or a portion of truly surplus funds and open a separate Surplus Funds Account (or transfer latest surplus into an already existing Surplus Funds Account).

"Surplus funds" are the balance of contributions given for a specific election that remain after the election and are not needed to pay off that election's campaign debts. Funds remaining after an election are NO LONGER SURPLUS FUNDS if they have been carried forward to a new campaign, mingled with new contributions for a future election, or used to make expenditures for a future election campaign.

Using the Account. According to RCW 42.17.095, you may only use monies in a Surplus Funds Account for one or more of the following purposes.

- Non-reimbursed public office related expenses.*
- Refunds to contributors. Refunds of contributions made by the candidate to his or her own campaign are subject to restriction. See page 10.
- Payments to the candidate for verifiable earnings lost because of campaigning.

- Unlimited contributions to a bona fide political party or caucus political committee.
- Donations to a charity registered with the Secretary of State in accordance with RCW 19.09.
- Deposits into the state's general fund, the oral history, state library, and archives account under RCW 43.07.380, or the legislative international trade account under RCW 44.04.270, as specified by the candidate or political committee.
- Transfers to your campaign account for use in a future election (if a different office is sought than the one for which the surplus funds were initially raised, written permission will have to be obtained from the contributors of the remaining surplus before the surplus may be used to seek the different office).

*A "non-reimbursed public office-related expense" is an expenditure incurred by an elected or appointed official, or a member of his or her immediate family, solely because of being an official. [WAC 390-24-032]

Reporting a Surplus Funds Account. When the account is established by opening a separate bank account:

- file a C-1 giving the Candidate's Name plus the words "Surplus Funds Account;"
- transfer all or a portion of the eligible surplus funds into the new or existing Surplus Funds Account (which should be a checking account -- rather than a savings account -- if there will be more than infrequent expenditures out of it); and
- file C-4 reports along with Schedule A's showing any transfers into the account at the top of the Schedule A and also itemizing all expenditures out of the account on the form. File a C-4 for the Surplus Funds Account monthly by the 10th of the month, covering the preceding calendar month, for any month in which you transferred in or spent over \$200. If over \$200 in activity does not occur in a month, the next report is triggered when over \$200 has been transferred into the account or spent out of it since the last report was filed. Then, file the C-4 by the 10th of the following month.

Note: ONLY SURPLUS FUNDS FROM A CAMPAIGN MAY BE DEPOSITED INTO A SURPLUS FUNDS ACCOUNT. [RCW 42.17.095(7)]

Start-up of New Campaign

A candidate's committee does not "net out" annually, but aggregates contributions and expenditures throughout the existence of the candidacy or campaign. For example, a candidate might begin seeking contributions and making expenditures two or three years before an election. The aggregate of all contributions and expenditures is shown on C-4 reports until the election is over.

Here are the steps to follow to start a new campaign:

- File a final C-4 report with the appropriate schedules for the earlier campaign. Include all transactions since the last C-4 was filed. Indicate in the space provided that this is the final report.
- File a C-1 registration statement for the new campaign.
- File a C-4 report for the new campaign. The surplus carried forward from the old campaign is reported on line 1 of the C-4. If you are carrying forward any debts from your previous campaign, identify them in Part 3 of Schedule B and include the amount on line 19 of the C-4. Appropriate schedules are attached showing new contributions and expenditures.
- File future C-3 and C-4 reports for the new campaign according to the reporting schedule for that campaign.

E-filers enter the surplus cash balance from prior campaigns in the committee information screen.

SUMMARY, FULL REPORT RECEIPTS AND EXPENDITURES

C4
(1/02)

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

John A. "Jack" Jones, Jr. (Jones for Senate)

Mailing Address

123 Miller Way

City

Anyplace, WA

Zip + 4

98000-0000

Office Sought (Candidates)

State Senate

Election Date

Nov 2012

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution supporting or opposing a state or local candidate?)

Report

From (last C-4)

To (end of period)

Final Report?

Period

5/1/20XX

5/31/20XX

Yes ☐ No ☒

RECEIPTS

*See next page

Yes ☐

No ☐

1. Previous total cash and in kind contributions (From line 8, last C-4) Carry Over – Previous campaign
(if beginning a new campaign or calendar year, see instruction booklet) \$ 872.65
2. Cash received (From line 2, Schedule A) \$ 280.00
3. In kind contributions received (From line 1, Schedule B)..... 0.00
4. Total cash and in kind contributions received this period (Line 2 plus 3)..... 280.00
5. Loan principal repayments made (From line 2, Schedule L)..... (0.00)
6. Corrections (From line 1 or 3, Schedule C)..... Show + or (-) 0.00
7. Net adjustments this period (Combine line 5 & 6)..... Show + or (-) 0.00
8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) 1,152.65
9. Total pledge payments due (From line 2, Schedule B) 0.00

EXPENDITURES

10. Previous total cash and in kind expenditures (From line 17, last C-4)
(If beginning a new campaign or calendar year, see instruction booklet) 0.00
11. Total cash expenditures (From line 4, Schedule A) 50.00
12. In kind expenditures (goods & services) (From line 1, Schedule B) 0.00
13. Total cash and in kind expenditures made this period (Line 11 plus line 12) 50.00
14. Loan principal repayments made (From line 2, Schedule L)..... (0.00)
15. Corrections (From line 2 or 3, Schedule C)..... Show + or (-) 0.00
16. Net adjustments this period (Combine lines 14 & 15)..... Show + or (-) 0.00
17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16)..... 50.00

CANDIDATES ONLY

	Won	Lost	Unopposed	Name not on ballot
Primary election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General election	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Treasurer's Daytime Telephone No.:
(509) 555-1212

CASH SUMMARY

18. Cash on hand (Line 8 minus line 17) 1,102.65
[Line 18 should equal your bank account balance(s) plus your petty cash balance.]
19. Liabilities: (Sum of loans and debts owed) (0.00)
20. Balance (Surplus or deficit) (Line 18 minus line 19) \$1,102.65

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

6/10/20XX

Treasurer's Signature

Date

6/10/20XX

Bookkeeping Tips

This section includes some hints to assist treasurers in compiling and reporting campaign finance information.

The law requires that accurate records be maintained. Use any bookkeeping system that meets this requirement. The hints outlined here are ones that have been used effectively in other campaigns. If you have ideas that would help other treasurers, please share them with us.

Computer Reports

All candidates who expect to spend \$10,000 on the current campaign or met the \$10,000 expenditure threshold in the last campaign for the same office are required to submit campaign finance reports electronically.

The PDC has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The ORCA (Online Reporting of Campaign Activity) software is NOT campaign management software; is designed specifically to meet the reporting requirements under RCW 42.17.

If you are currently using campaign finance software other than ORCA, the PDC can send you a vendor kit; a software development package that with some additional advanced programming, may enable your campaign to file electronically using your current software.

Contribution Records

Record currency and check contributions directly on C-3 reports. File copies of these C-3 reports in chronological order in a loose-leaf binder. Contributions must be deposited within five business days of receipt. Your C-3 report could, therefore, cover a one-week period. For most contributors, you must include the aggregate, per-election total of contributions received on the C-3. For contributions from bona fide political party and caucus political committees, you report the aggregate total of contributions received from the beginning of the campaign.

Your bank statement is another supporting document for monetary contributions. If you prepare a C-3 report every time you make a bank deposit (as you are required to do), you will always be able to match your C-3 reports with the deposits appearing on your bank statements.

Other types of contributions, such as in-kind contributions and pledges, may be kept track of by recording the relevant information about them on notebook paper. If you use a notebook, add section dividers and convert it into an all-purpose book for recording campaign financial information.

Expenditures

There are three different types of expenditures: standard monetary expenditures, petty cash disbursements, and orders placed but not yet paid (debts).

Standard Expenditures: Record monetary expenditures directly on a Schedule A. The check number should be recorded on your work copy of the schedule.

Petty Cash: To establish and replenish a petty cash fund, determine the amount needed for approximately one month (\$100 to \$250). Write a check for the amount to the person who will be responsible for the petty cash fund. Do not include this check setting up your petty cash fund as an expenditure on Schedule A.

Don't use the petty cash fund to pay expenses when a check can be conveniently written. A check gives you a record of the payment.

As small purchases are made, receipts are placed in the petty cash fund records. (Note: The sum of cash and receipts must always equal the starting amount.) Periodically, the receipts are totaled and a check for that amount is made out to the person in charge of the fund. (Again, this replenishment check is not listed as an expenditure on Schedule A.) Keep the receipts as supporting documents for the replenishment check.

The checks establishing the fund and those used to replenish it are not included on the Schedule A because each petty cash expenditure will appear on the schedule as it occurs, probably on the "expenditures of \$50 or less" line. If you also report the checks establishing and replenishing the fund, you'd be inflating the amount actually spent by the campaign.

Orders Placed: A reportable expenditure is made when an order is placed, whether it has been paid or not. Therefore, you must make a summary of orders placed but not yet paid when you prepare each C-4 report. If the exact cost is unknown, estimate the cost. Each time a summary is prepared, orders placed that have now been paid are deleted. On the Schedule B, you'll report those remaining orders (outstanding debts) that will cost you more than \$250 or more than \$50 if they were ordered over 30 days ago.

Contingency salary agreements -- those promises to pay consultants or others a certain amount if the election is won -- are first reported as outstanding debts when the agreements are entered into. They will then appear on each successive Schedule B until paid or removed as a debt because the terms of the agreement were not satisfied.

Miscellaneous Records

Establishing a miscellaneous records file can be helpful. It provides a place to record plans for disposition of surplus funds, insurance policies taken out by the campaign, potential liabilities from lawsuits, disputed payments, and other correspondence or conversations with PDC staff or others regarding the campaign's finances or reporting procedures.

Deducting Cost of Consumables

Review the discussion on Fund Raising Events and Qualifying Low-Cost Fund Raisers beginning on page 32.

The law permits that the amount of a contribution received in connection with a fund raising event (such as a dinner) may be reduced by the cost of the food, beverages, preparation, catering or entertainment furnished at the event and, arguably, consumed by the contributor.

If you choose to do this, some special bookkeeping techniques are necessary and you'll probably want to set up a subsidiary set of records for the event.

In order to deduct the cost of consumables from each contribution received, you have to determine the per person amount to be deducted. To do this, add up all the separate charges for food, beverages, preparation, catering, entertainment and all taxes paid for the event. Divide this total by the number of persons you planned for, the number you told the caterer to provide food for. (This number of persons will likely be smaller than the number of persons invited, but may be larger than the number who actually show up. Nevertheless, using the number of guests you relied on for planning purposes is a fair way to compute the per-person cost of consumables.)

The amount you arrive at after dividing the total cost of consumables by the number of persons you planned would attend is the per-person consumables cost. Deduct this amount from each contributor's donation. This "net" contribution is the amount you will put on the C-3 for each contributor. If you did not charge a uniform admission amount, the figure for each contributor will vary. However, if you asked each person, for example, to contribute \$100 and the per person consumables cost is \$20, the C-3 for this event would show an \$80 contribution from each contributor who purchased one ticket. If a couple purchases two tickets for themselves, each of them is entitled to one deduction.

However, in order to avoid the situation where a few contributors pay for all of the food and beverages at an event without showing this expense as a contribution to the candidate, if a contributor purchases several tickets, that contributor is still only entitled to one, per-person deduction for the cost of consumables.

The C-3 report representing the deposit of monies received for the fund raiser will not match the amount of the deposit. This is understood. The "shortfall" is offset in your records by the fact that you will also not report on Schedule A the payments you made to vendors for the consumables. Of course, your records will show that you made these payments, but if you also reported them on the Schedule A, your total expenditures amount would be too high in relation to the amount of contributions you have reported receiving.

[Note, if you are uncomfortable with this common method of reporting deductions for consumables, you might consider reporting on the C-3 each contributor's "net" contribution as discussed above, but also including a line item, in Part 2 of the report, that reflects the lump sum of all monies received that cover consumables provided at the event. If you do this, then your C-3 total for the fund raiser should match the bank deposit of the monies received from the event. Then, since you are accounting for the overall, full amount on your C-3, you would

also report the payments to vendors for the consumables on Schedule A.] Either reporting method discussed above is acceptable. Call PDC at (360) 753-1111/toll free 1-877-601-2828 for assistance.

Joint Fund Raising and "Slate" Committees

Candidates are advised to follow these guidelines when participating in 1) joint fund raising efforts with other candidates and 2) in committees that support a slate of candidates.

Joint Fund Raising. A separate joint fund raising account is established. There is no need to register this account with PDC as a separate committee. All contribution checks are made out in the name of the joint fund raising account. All joint fund raising expenses are paid out of this account. After expenses are paid, the account will distribute the remaining funds to all participants on a pro-rated basis. An example would be, if there are four candidates participating, each receives one-fourth of the net receipts.

Accompanying this payment to each candidate will be a list of contributor names and addresses and the full amount of each candidate's pro-rated share. For example, if a donor gave \$500 to the joint fund raising effort of four candidates, the list would show this contributor giving each candidate \$125. [Note that if a contributor's pro-rated amount to each candidate is \$100 or more and the contributor is an individual, then the candidate will need to report the contributor's occupation and employer in addition to name and address.]

Each candidate uses the information on the list to complete his or her C-3 report that represents the deposit of the check from the joint fund raising account. It is understood that the C-3 will not match the amount of the deposit. (The difference will be the candidate's share of the expenditures for the joint fund raising.)

Then, on the candidate's next C-4, he or she will report on the Schedule A his or her portion of each expenditure made by the joint fund raising account. Again, if there were four candidates participating in a joint fund raiser, each would itemize the expenses made by the joint account showing one-fourth of each expense. **Even though each candidate reports his or her share of the expenses on the Schedule A, no actual payment is made by the individual candidates to the vendors involved** (since the vendors have already been paid by the joint account).

This method of handling joint fund raising eliminates establishment of a separate joint fund raising committee, while still satisfying the legal requirements that all expenditures be reported and all contributions to the effort are attributed to the individual candidates involved.

Alternatively, each candidate involved in a joint fund raising event could pay a set percentage of the expenses and receive a similar percentage of the funds collected at the event. For example if one candidate were responsible for 60% of the expenses at a joint fund raising event, then that candidate would receive 60% of the funds remaining after expenses are paid. Each candidate committee participating in the event would receive a pro-rated or proportional amount of the funds collected in relation to the expenses paid by that committee.

Call the PDC at (360) 753-1111 or toll free 1-877-601-2828 if you have questions concerning joint fund raising activity.

"Slate" Committees. The law allows candidates to participate in committees organized to support a slate of candidates. Unlike joint fund raising efforts, slate committees do not pass along the money raised to the candidates involved, but rather directly spend the contributions received in a manner that equally benefits all the candidates participating in the committee.

Slate committees register and report like any political committee. On its C-1pc registration statement, a slate committee would check the "other" box in the purpose or description of committee section, and attach a sheet explaining that it is a committee organized to support a slate of candidates. The names and offices sought of the candidates participating would also be listed on this attachment.

The law requires that all contributions made by a contributor directly or indirectly to a candidate be considered as contributions to that candidate. [RCW 42.17.670] As such, contributors to slate committees are, in fact, giving to the candidates who are participating in the committee.

Therefore, prior to the due date of each C-4 report, the slate committee must provide each candidate with a list of its contributors, showing the name, complete address, date and the full amount of the candidate's pro-rated share of each contribution. For example, if a contributor gave \$600 to a committee supporting a slate of six candidates, the committee would list this contributor as giving \$100 to each candidate.

Using the list provided by the slate committee, each candidate will then report, as in-kind contributions in Part 1 of Schedule B, his or her portion of from all contributions to the slate committee. The candidate will note that these contributions are through the slate committee, thus alerting the public that they should look at that committee's report for information on how the contributions were spent.

The slate committee will file regular C-3 and C-4 reports with PDC. The information supplied to the candidates involved is in addition to its regular reporting.

ELECTRONIC FILING

ELECTRONIC FILING OF CAMPAIGN FINANCE REPORTS

ORCA (Online Reporting of Campaign Activity)

The Commission has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The ORCA software is NOT campaign management software; it is designed specifically to meet the reporting requirements under RCW 42.17. ORCA will create all of the candidate and political committee reports necessary to comply with state law.

If your campaign or political committee is currently using campaign finance software other than ORCA software, the Commission's Information Technology staff will send you a "vendor" package that may enable your campaign to file electronically using your current software.

Minimum System Requirements:

Windows – Windows 2000; 256 MB RAM, 1 Ghz Processor; 500 MB free disk space; an Internet connection; and Java Runtime Environment (JRE) 1.5.

Apple/MAC – MAC OS X Version 10.4 Tiger and Java Runtime Environment (JRE) 1.5.

To work properly, contributor and expenditure data from the beginning of the campaign must be entered into the system.

Downloading and Installing ORCA

Download the software from www.pdc.wa.gov/orca.

Simply click "download ORCA" and follow the prompts. You should have an icon titled **ORCA** on your Desktop after downloading. If an icon is not on your desktop, you can find the ORCA program by clicking "Start" and "All Programs."

ORCA was developed by PDC staff and released in January 2006. The software is continually being enhanced and updated to keep up with changing campaign finance disclosure laws. After the initial download, users should regularly click "ORCA Web Update" to ensure that they are using the latest version of the software.

You can enter campaign transactions after installing the ORCA software. You will not be able to transmit reports without a filer ID issued by Public Disclosure Commission staff. Obtain a filer ID by submitting the appropriate signatures and passwords to the Public Disclosure Commission.

Electronic Filing Registration

NOTE: You must have a current C-1 Candidate Registration Statement or a C-1pc Committee Registration Statement on file with the Commission prior to receiving a Filer ID number. The C-1 may not be filed electronically.

Follow these simple steps to acquire a Filer ID:

GO TO: www.pdc.wa.gov/filers/orca/instruct.aspx
CLICK ON: Password Request Form

At this point you will need to complete and mail the signature authorization letter and the electronic filing password form found as part of the instructions. Faxes are not accepted because we need to have an original signature on file.

Public Disclosure Commission
711 Capitol Way Room 206
PO Box 40908
Olympia, WA 98504-0908

Once in receipt of your original signature we will e-mail your campaign or committee a filer ID number. Again, the filer ID allows you to *transmit* C-3 and C-4 reports electronically.

ELECTRONIC FILING OF PERSONAL FINANCIAL AFFAIRS STATEMENT

Public officials and candidates have the opportunity to file their annual Personal Financial Affairs Statement electronically over the Internet. The F-1 electronic filing process provides an easy way for elected officials, state appointed officials and candidates to comply with state reporting requirements.

Officials may use agency computers and staff to file annual F-1 reports (since filing requirement stems from their holding public office).

Setting Up a New Electronic Filing Account

1. Go to www.pdc.wa.gov.
2. Click *Filer Resources*.
3. Click *Electronic Filing* (left column).
4. Click the appropriate candidate type from the choices on the right..
5. Click *F-1 Account Login* – middle column under *Electronic Filing Option*.
6. Click *Personal Financial Affairs Filer* in the box on the right.
7. Follow the instructions from page to page to create electronic filing account.

Note: Print the signature card. (Your temporary filer ID is in the top right corner. Use it until your permanent filer ID is e-mailed to you.) Sign the signature card and mail it to the PDC. The PDC staff will e-mail a permanent filer ID to you when your signature card is received. You must click "next" after viewing and printing the signature card – your account will be deleted if you do not click "next" after viewing and printing the signature card.

County Election Officials

Adams County Auditor	210 W Broadway		Ritzville	WA	99169-1860	509-659-3247
Asotin County Auditor	135 2nd St	PO Box 129	Asotin	WA	99402-0129	509-243-2084
Benton County Auditor	620 Market St	PO Box 470	Prosser	WA	99350-1300	509-786-5618
Chelan County Auditor	350 Orondo Ave	PO Box 400	Wenatchee	WA	98807	509-667-6806
Clallam County Auditor	223 East 4 th Ste 1		Port Angeles	WA	98362	360-417-2217
Clark County Auditor	1408 Franklin St	PO Box 8815	Vancouver	WA	98666-8815	360-397-2345
Columbia County Auditor	341 E Main St Ste 2		Dayton	WA	99328-1361	509-382-4541
Cowlitz County Auditor	207 4th Ave N Rm 107		Kelso	WA	98626	360-577-3005
Douglas County Auditor	213 S Rainier	PO Box 456	Waterville	WA	98858-0456	509-745-8527 x207
Ferry County Auditor	350 E Delaware #2	PO Box 498	Republic	WA	99166-0498	509-775-5200
Franklin County Auditor	1016 N 4th Ave	PO Box 1451	Pasco	WA	99301-3706	509-545-3538
Garfield County Auditor	789 Main St.	PO Box 278	Pomeroy	WA	99347	509-843-1411
Grant County Auditor	35 C St NW	PO Box 37	Ephrata	WA	98823-0037	509-754-2011 x343
Grays Harbor County Auditor	100 W Broadway Ste 2		Montesano	WA	98563	360-249-4232
Island County Auditor	1 NE 7th St	PO Box 1410	Coupeville	WA	98239-5000	360-679-7366
Jefferson County Auditor	1820 Jefferson St	PO Box 563	Port Townsend	WA	98368	360-385-9117
King County Records & Elections	9010 E Marginal Way S		Tukwila	WA	98108	206-296-8683
Kitsap County Auditor	619 Division St		Port Orchard	WA	98366	360-337-7128
Kittitas County Auditor	205 West 5th Ave Ste 105		Ellensburg	WA	98926	509-962-7503
Klickitat County Auditor	205 South Columbus #203		Goldendale	WA	98620	509-773-4001
Lewis County Auditor	351 NW North St	PO Box 29	Chehalis	WA	98532-1900	360-740-1278
Lincoln County Auditor	450 Logan St	PO Box 28	Davenport	WA	99122-0028	509-725-4971
Mason County Auditor	411 N 5th	PO Box 400	Shelton	WA	98584-3400	360-427-9670 x470
Okanogan County Auditor	149 3rd N Rm 104	PO Box 1010	Okanogan	WA	98840-1010	509-422-7244
Pacific County Auditor	300 Memorial Ave	PO Box 97	South Bend	WA	98586-5000	360-875-9317
Pend Oreille County Auditor	625 West 4th	PO Box 5015	Newport	WA	99156-5015	509-447-3185
Pierce County Elections	2501 S 35th St Ste C		Tacoma	WA	98409	253-798-7430
San Juan County Auditor	55 2nd St Ste A	PO Box 638	Friday Harbor	WA	98250	360-378-3357
Skagit County Auditor	700 S 2nd St m 201	PO Box 1306	Mount Vernon	WA	98273-4225	360-336-9305
Skamania County Auditor	240 NW Vancouver St	PO Box 790	Stevenson	WA	98648-0790	509-427-3730
Snohomish County Aud/Rec Div	3000 Rockefeller Ave #505		Everett	WA	98201-4060	425-388-3444
Spokane County Auditor	1033 W Gardner Ave		Spokane	WA	99260	509-477-2320
Stevens County Auditor	215 S Oak St #106		Colville	WA	99114-2836	509-684-7514
Thurston County Auditor	2000 Lakeridge Dr SW		Olympia	WA	98502	360-786-5408
Wahkiakum County Auditor	64 Main St	PO Box 543	Cathlamet	WA	98612	360-795-3219
Walla Walla County Auditor	315 W Main St	PO Box 1856	Walla Walla	WA	99362	509-524-2530
Whatcom County Auditor	311 Grand Ave Ste 103		Bellingham	WA	98225	360-676-6742
Whitman County Auditor	N 404 Main St	PO Box 350	Colfax	WA	99111-2071	509-397-6353
Yakima County Auditor	128 N 2nd St #117		Yakima	WA	98901	509-574-1340

Pertinent Government Agencies

QUESTIONS ABOUT	AGENCY	TELEPHONE
Business Licenses	Department of Licensing 1125 Washington St. SE, M/S 8001 Olympia, WA 98504-8001 or Local City Clerk or Treasurer	360-664-1400
Candidates Voter Pamphlet	County Auditor or Secretary of State	360-902-4151
Declarations of Candidacy	County Auditor or Secretary of State	360-902-4151
Election Laws	County Auditor or Secretary of State	360-902-4180
Employee Withholding (W-4 form)	Internal Revenue Service (local office)	800-829-3676
Employer ID Number (Form SSÄ4)	Internal Revenue Service (local office)	800-829-4933 or 800-829-3676
Federal Campaign Reporting	Federal Election Commission 999 E Street, N.W. Washington, D.C. 20463	800-424-9530
Federal Income Tax (Form 1120-POL)	Internal Revenue Service (local office)	800-829-1040
Gambling Permits (bingo, raffles)	Gambling Commission 4565 7 th Avenue SE Lacey, WA 98503	360-486-3440
Health Permits (food sales)	County or City Health Department	
Incorporation	Secretary of State 801 Capitol Way South, PO Box 40234 Olympia, WA 98504-0234	360-753-7115
Liquor and Banquet Permits	Local WA State Liquor Store or Liquor Control Board 3000 Pacific, PO Box 43075 Olympia, WA 98504-3075	306-664-1600
Political Broadcasting	Federal Communications Commission Broadcast Bureau Washington, D.C. 20554	202-418-1440
Postal Permits	Local U.S.Post Office	
Sign Regulations	See next page	
Social Security	Social Security Administration (local office)	
State Taxes	Department of Revenue PO Box 47462 Olympia, WA 98504-7450	800-647-7706

Washington State Department Of Transportation

REGIONAL OUTDOOR ADVERTISING REPRESENTATIVES

Olympic Region Clallam, Jefferson, Kitsap, Grays Harbor, Mason, Thurston and Pierce Counties	Gerald Nelson PO Box 47440 Olympia, WA 98504-7440 (360) 704-3223 e-mail: nelson@wsdot.wa.gov
Northwest Region Whatcom, San Juan, Island, Skagit, Snohomish, and King Counties	Mike Leitch PO Box 330310 Seattle, WA 98113-9710 (206) 440-4394 e-mail: leitcmd@wsdot.wa.gov
Southwest Region Pacific, Lewis, Wahkiakum, Cowlitz, Clark, Skamania and Klickitat Counties	Curtis Knopp PO Box 1709 Vancouver, WA 98668 (360) 905-2115 e-mail: knoppc@wsdot.wa.gov
North Central Region Okanogan, Chelan, Douglas, and Grant Counties	Becky Jordan PO Box 98 Wenatchee, WA 98807 (509) 667-307 e-mail: jordanr@wsdot.wa.gov
South Central Region Kittitas, Yakima, Benton, Franklin, Walla Walla, Columbia, Garfield, and Asotin Counties	Ed Barry PO Box 12560 Yakima, WA 98909-2560 (509) 577-1989 e-mail: barrye@wsdot.wa.gov
Eastern Region Ferry, Stevens, Pend Oreille, Lincoln, Spokane, Adams, and Whitman Counties	Mary Lloyd 2714 North Mayfair St. Spokane, WA 99207-2090 (509) 324-6549 e-mail: lloyd@wsdot.wa.gov
Washington State Ferries	Certified Folder Display (contractor) 5808 S. 196th Kent, WA 98032 1-800-799-7373 e-mail: weldonv@certifiedfolder.com



**Washington State
Department of Transportation**

Paula J. Hammond, P.E.
Secretary of Transportation

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

Dear Candidate:

The Washington State Department of Transportation wishes to take this opportunity to advise political candidates about the placement of campaign signs and placards along state highways.

Revised code of Washington (RCW) 47.42, the Highway Advertising Control Act, regulates signing on Interstate highways, primary highways, and highways that are part of the Scenic and Recreational system. Signs erected on private property adjacent to these highways must comply with the Highway Advertising Control Act, rules contained in Washington Administrative Code (WAC) 468-66, and applicable local agency sign codes.

In accordance with WAC 468-66-050, ***Sign Classifications***, political campaign signs are considered a Type 3(d) on-premise sign for which no fee or application is necessary. Temporary political campaign signs are signs which express the property owner's endorsement of a political candidate or ballot issue, with the following restrictions:

- 1) Temporary political campaign signs are limited to a maximum size of thirty-two square feet
- 2) Temporary political campaign signs must be removed within ten days following the election
- 3) Sign installers must have permission of the underlying property owner prior to placing signs
- 4) Temporary political campaign signs are subject to all other applicable provisions of RCW 47.42 and WAC 468-66 that pertain to Type 3 on-premise signs

In addition to the above restrictions, **the erection of temporary political campaign signs within the right-of-way of all state highways is prohibited. Accordingly, signs placed within the right-of-way of any state highway are subject to removal by the Department of Transportation.**

Also, RCW 47.36.180(1) states in part that it is unlawful to erect any structure, sign, or device visible from a city street, county road, or state highway that simulates any directional, warning, or danger sign likely to be mistaken for such a sign. Therefore, a campaign sign cannot be designed in a manner that resembles an official traffic control sign.

If you should have any questions about the placement of campaign signs along state highways, please contact Pat O'Leary at (360) 705-7296 or olearyp@wsdot.wa.gov.

We sincerely hope that candidates for public office will observe the laws and regulations enacted to limit driver distraction and protect and preserve the roadside beauty of our state. Thank you in advance for your courtesy in this matter,

Washington State Department of Transportation